VSB – TECHNICAL UNIVERSITY OF OSTRAVA
FACULTY OF ECONOMICS

DEPARTMENT OF MARKETING AND BUSINESS

Intergenerational Analysis of Consumer Behaviour on the Beer Market
Mezigenerační analýza spotřebitelského chování na trhu piva

Student: Aneta Teichmannová
Supervisor of the Bachelor Thesis: doc. Ing. Vojtěch Spáčil, CSc.

Ostrava 2015

VŠB - Technical University of Ostrava
Faculty of Economics
Department of Marketing and Business

Bachelor Thesis Assignment

Student: **Aneta Teichmannová**

Study Programme: B6208 Economics and Management

Study Branch: 6208R062 Marketing and Business

Title: Mezigenerační analýza spotřebitelského chování na trhu piva
Intergenerational Analysis of Consumer Behaviour on the Beer Market

Description:

1. Introduction
2. Theoretical issues of consumer behaviour
3. Characteristics of Czech and English beer market
4. Research methodology
5. Research findings
6. Recommendations
7. Conclusion

Reference List
List of Abbreviation
Statement on the Use of the Results of the Diploma Thesis
List of Appendices
Appendices

References:

KARDES, R. F., CRONLEY, L. M. a T. W. CLINE. *Consumer Behavior.* Mason: South-Western Cengage Learning, 2011. 421 p. ISBN 978-0-538-74540-6.
KOTLER, Philip and Kevin Lane KELLER. *Marketing Management.* 14th ed. Upper Saddle River: Prentice Hall, 2012. 816 p. ISBN 978-0132102926.
SOLOMON, Michael R. *Consumer Behavior: Buying, Having, and Being.* 8th ed. Upper Saddle River: Prentice Hall, 2009. 694 p. ISBN 978-0-13-601596-3.

Extent and terms of a thesis are specified in directions for its elaboration that are opened to the public on the web sites of the faculty.

Supervisor: **doc. Ing. Vojtěch Spáčil, CSc.**

Date of issue: 21.11.2014
Date of submission: 07.05.2015

VYSOKÁ ŠKOLA BÁŇSKÁ-TECHNICKÁ UNIVERZITA Ekonomická fakulta 1 OSTRAVA

doc. Ing. Vojtěch Spáčil, CSc.
Head of Department

prof. Dr. Ing. Dana Dluhošová
Dean of Faculty

Declaration of Independent Elaboration of a Bachelor Thesis

I hereby confirm that I made the available dissertation independently and without use of others than indicated aids. All places, which literally or in general manner from published and not published sources were inferred, are marked as such. The work was never submitted to any examining authority in this or any similar form.

Ostrava, 20. 6. 2015

Aneta Tejchmannová

....

I wish to express sincere thank you to my personal supervisor, doc. Ing. Vojtěch Spáčil, CSc., for his advices, valuable guidance, support and encouragement throughout this project. My gratitude extends to my partner and family for useful remarks, constant support and understanding. Last, but not least, I thank all participants who were willing to complete my questionnaire.

Contents

1 Introduction

Brand loyalty is important aspect of consumer behaviour for every company. Giddens (2013) considers brand loyalty to be ultimate goal a company sets for branded product. It enhances sales and profits, makes customers willing to pay premium price for a product (Malik, Ghafoor & Iqbal, 2013) and most importantly, it saves considerable costs as retaining existing customers is significantly less expensive that attracting and acquiring new ones. When company has a solid base of loyal customers, then its competitive advantage is encouraged as these customers spread positive word of mouth, which may result in attracting new customers. Moreover, thanks to their deep commitment to a brand, they are willing and ready to defend it to the detriment of competitive brand. Furthermore, competitive advantage is enhanced by loyalty's ability to grow long term customer relationships and to provide a sustainable position on the market (Kristinsdóttir, 2010). And what appears to be the greatest benefit of brand loyalty to company is the transition to profits. Oliver (1997) mentions Jewett's (1994) research focusing on Ford Motor Company and says that one percent increase in owner loyalty would be worth 100 million dollars in profit. Brand loyalty toward beer brands seem to be influenced hugely by advertising and marketing activities (Allison & Uhl, 1964).

This research is going to take place on the beer market of two European countries, i.e. the Czech Republic and the UK, which will serve as a ground to conduct the study. Beer industry is highly competitive and concentrated with few huge corporations holding the vast majority of the market share. Beer as an alcoholic beverage has been brewed for thousands of years, though its form considerably differed from the modern beer (Swinnen, 2011). Humans have been accompanied by beer throughout the whole history, which resulted in beer being one of the most consumed alcoholic beverages in the world (WHO, 2011). The consumption of beer is generally increasing, with the Czech Republic and the UK being countries with relatively high consumption, so-called "drinking nations" (Swinnen, 2011). When it comes to brand loyalty, Czechs appear to be driven by quality and taste of beer (Howaniec, 2012) whereas Britons are influenced more by advertising (Orr, 2014).

This paper aims at investigating how brand loyalty differs across distinct age groups and across mentioned markets. In order to make a comparisons, two age groups were selected. Generation X, people born at the turn of 60's and 70's of the last century, are known to be highly brand loyal and convinced about their brands (Jennings, 2012), while Millennials appear to be the very opposite; born during the last two decades of 20^{th} century and in favour of experimenting and instability in terms of sticking to proven brands (Cioletti, 2013). The author assumes the brand loyalty to be both different across selected generations and markets, and to be driven by different influential factors.

2 Theoretical Issues of Consumer Behaviour

Consumer behaviour is a field of study, which witnesses great attention from marketers. People buy things to satisfy various needs every day and make purchase decisions which affect not only themselves, but also their families, environment and most importantly, businesses which they buy the goods from. Therefore, it is essential to understand the way people buy and reasons for such purchases (Blythe, 2013). Moreover, businesses should be aware of the experience consumers get from purchase, which often affect future consumer acting. Thus, building customer loyalty is another aspect which should be clearly understood by business and in its importance goes hand in hand with understanding consumer behaviour.

2.1 Consumer behaviour

Consumer behaviour is a process when people "select, purchase, use or dispose of a product, services, ideas or experiences to satisfy needs and desires" (Solomon, 2013, p. 31). Blackwell, Miniard & Engel (2001) define the consumer behaviour as a field of study focusing on consumer activities and analysing simply "why people buy".

2.1.1 Market segmentation

In order to implement the appropriate marketing strategy in terms of delivering the message to customers and advertising and promoting the products, marketers need to understand the differences among particular individual customers and group of customers, respectively. For this purpose, consumers are divided into market segments using one of marketing strategies, i.e. market segmentation. It is a "process of identifying a group of people similar in one or more ways, based on variety of characteristics and behaviours" (Blackwell et al., 2001, p. 39). Each consumer or group of consumers have different needs and wants to satisfy. In order to understand and fulfil them, marketers divide consumers up into market segments. The segmentation helps to target specific groups of consumers with specialized messages and products, adjusted in order to meet specific customers' needs. According to Blackwell et al., (2001), a market is possible to segment pursuant three characteristics, demographic, psychographic and situational. Situational factors will be omitted, though are important for purchase decision-making, they are hard to control and are not subject of this research.

a) Demographic aspects

There are several demographic indicators, however, as the most relevant for this research were chosen the following. These are age (people in the same age group share some similar values and cultural experiences), gender (products earmarked for women are advertised differently to those for men), geography (people in different countries have different perception of product promotion), social class and income (people who belong to the same social class with roughly similar income tend to share ideas and values, tastes in music etc., which makes the social class and income important variables for marketers as it determines the buying power and market potential) (Solomon, 2013) and education (Blackwell et al., 2001). For this research, the most determining demographic factor is age as the focus will be concentrated on two age groups, i.e. Generation X and Y.

- **Generation X**

Generation X, also called baby busters, post-boomers (Fay, 1993) or disillusioned generation (Barrow, 1994), is a cohort born between 60's and 70's of 20th century. The exact range is not specified; many authors and researchers characterize them differently in terms of age (Ostermiller, 1997; Schroer, 2012; Henseler, 2012; Jennings, 2012 and more). For this research, period between 1965 – 1979 proposed by Crampton & Hodge (2009) was chosen for classification.

Gen Xers are busy family people, college educated and typically living in two-income households. They are financially stable, having savings for children and their "golden years" (Jennings, 2012). According to Fay (1993), Generation X is more materialistic that its predecessors, but expects much more and actually achieve much less at the same stage of life. Post boomers are also the first age group in 150 years, which seems not to match the standards of living their parents had (Barrow, 1994). According to Henseler (2012), the way how Generation X looks at world was shaped and marked by personal and political experiences. Due to high divorce rate in a time Gen Xers were growing up, they were forced and learnt how to look after themselves and therefore developed independence and self-reliance. They also simply do things their own way. The upbringing of Generation X was influenced by Vietnam War, the fall of the Berlin Wall or the end of Cold War (Waterworth, 2013).

Gen Xers are individuals with high level of scepticism, grown up in divorced families, which shaped their own attitude toward family; they form families with higher level of caution than their parents did and have concerns to avoid broken homes and divorces. The pragmatism in their lives seems to come from the education obtained; 29 % of Gen Xers have bachelor degree or higher education (Schroer, 2012). Though postponed getting married, buying a house and having a baby, they stand for traditional family (Ostermiller, 1997) and are strongly family-orientated. Despite having work duties, post boomers actively engage with family activities, are highly involved with their children and have strong concern about children's future. They like to engage in frequent communication with their relatives and friends and as Gen Xers have grown up alongside with the emergence of the Internet, they make active use of it. However, technology does not rule Gen Xers' lives; they use it, but not live it (Miller, 2011).

Generation X is interested in simplicity, efficiency and maintaining and protecting what they have. They require quality goods and services that last a long time without replacement and keen on those with proven warranties. Generation Xers search for outstanding customer service, high product knowledge among stuff, reliability, durability and lasting genuine value (Barrow, 1994) and are much more sophisticated in terms of marketing efforts in comparison with their predecessors (Jennings, 2012). When it comes to marketing communication, direct marketing works for Generation X as they require value and personal relationship between themselves and the seller. According to Hildebrandt (2011), type of advertising which catch Gen Xers' eye is also product placement (in TV shows which are hugely watched by Generation X or movies) and outdoor advertising (billboards, adverts on bus shelters, in sport arenas etc.). According to Williams & Page (2011) they are sceptical of modern advertising, they require frank and straightforward approach and honesty.

Mitchell, McLean & Turner (2005*)* advice marketers not to use hard-sell tactics when targeting Generation X. Marketing should be moderate and restrained, no "bashing over head". They want the marketers to provide them with information and then let them decide whether like the product or not and determine the relevance and accuracy themselves. Gen Xers are sceptical, cautious consumers toward advertising and would not accept offensive messages. Ehret (2011) suggests to be clear about the offer, do not give Generation X a reason to be sceptical, give a lot of details to show no hidden intentions. They themselves need to figure out what works for them, marketers should give just suggestions.

- **Generation Y**

Generation Y, called also Millennials, Echo Boomers, Net Generation or Generation Next, are people born between 80's and the beginning of the new millennium, three times bigger in size than Generation X (Neuborne & Kerwin, 1999). The same as with their Gen X predecessors, the exact range is not stated; many authors classify them differently (Schroer, 2012; Crampton & Hodge, 2009; Tulgan, 2011 and more). For this research's purposes, period between 1980 – 1995 from Bawany (2014) will be taken into account.

Millennials' growing up was shaped by technology. They are the most tech savvy generation and are online simply 24/7 (Waterworth, 2013). They are very sophisticated, technology wise and most importantly, immune to traditional marketing (Schroer, 2012). Muskat, Muskat, Zehrer & Johns (2013) attribute Generation Y these characteristics: confident, relaxed, the most educated generation ever, special, team-orientated, pressured and achieving. They focus on brands, friends and digital culture. Generation Y has grown up strongly influenced by online and offline advertising and are likely to be influenced by word-of-mouth more than other generations. They have high opinions of themselves (Crampton & Hodge, 2009). According to Woodruffe (2009), they are unable to accept criticism and making a lot of money is not the most important aspect of their job performance. For Millennials, job as a contract, not a calling which results in lower commitment to work compared to previous generations. They work to live, not live to work. They are impatient and seem to have lack of interpersonal skills. Crampton & Hodge (2009) describe Generation Y in terms of way they communicate, which is completely different to other generations. E-mailing, texting, social networking, blogging, these are channels used by Millennials.

Neuborne & Kerwin (1999) suggest to adjust the advertising to what Gen Yers want to see and where they are, i.e. Internet. What worked for older generations, does not seem to work for Millennials anymore. They respond to humour, irony and unvarnished truth. Understanding and Marketing to Generation Y (2000) suggest how to reach Generation Y in advertising. They like to be entertained in the advertisement directed at them, they like anything what make them laugh. Moreover, Millennials relate well to "green" things, which help the environment as they have strong concern in this issue. They do not like cheap adverts making fun of other people and are interested in non-conventional marketing with a sense of originality. Gen Yers are very individualistic and do not want anybody to tell them what to buy; they also go from one extreme to another (Evans, 2008). They do not trust what marketers are trying to deliver to them, they ask a friend instead or inspire themselves by reviews (Fallon, 2014). Brand must represent quality and good value, must perform better than competitor and must represent the customer well. Brand should correspond with Millennial's lifestyle, must be trustworthy and customer should be willing to recommend the brand. The way it is advertised must be informative, entertaining and professional and must provide experience (McDevitt, 2013). According to Williams & Page (2011) they do not care about traditional marketing approaches, they want real-life examples and experience. Humour and uniqueness and honesty is important. They expect creativity in all aspects of a product, including customer service and communication. They are unlikely to search for product information in newspapers nor television. They prefer internet, instant messaging, texting, interacting with friends on social media.

b) Psychographic typologies

There are eight groups in which customers can be characterized in terms of lifestyle indicators. (see Figure 2.1). Innovators are consumers with high openness to change, thinkers look for functionality, value and durability of products. Achievers focus on career and prefer prestige brand signalizing success, experiencers are impulsive, young and like trying new products. Believers stick to their principles and proven brands, strivers share set of characteristics with achievers and strongly rely on approval of others. Makers are active and self-sufficient consumers, but with low level of openness to change, strugglers are older people who tend to feel the need to acquire basic goods only (Solomon, 2013 and Blackwell et al., 2001).

Research conducted by Valentine & Powers (2013) has revealed that majority of examined Generation Y sample displays characteristics of experiencers, considerable percentage constitutes of strivers and 9 % of questioned people were classified as achievers. Generation X is assumed to display believers' manner of behaviour in terms of brand loyalty. More detailed characteristics of these two generations in terms of brand loyalty will be outlined later in this chapter.

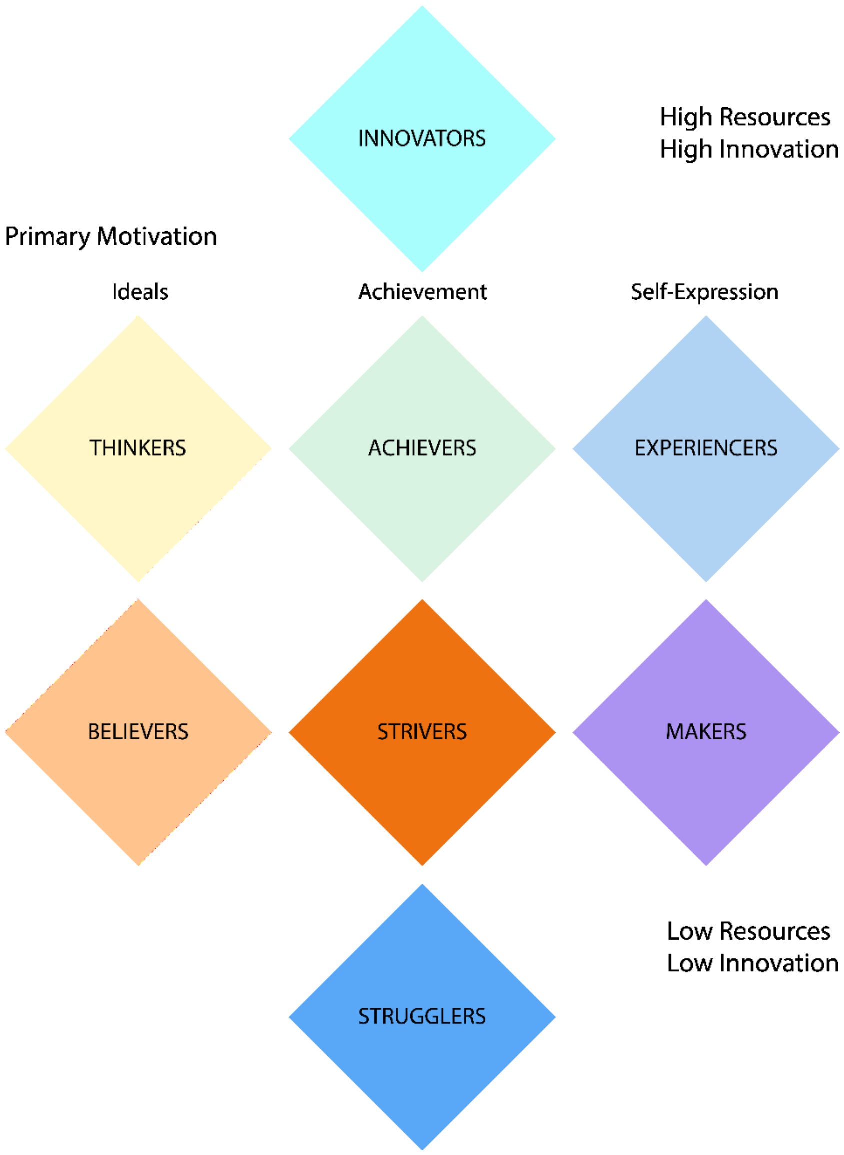

Figure 2.1 VALS Framework. Source: Author's adaptation of VALS Framework adapted from *Solomon, M. R. (2013). Consumer behavior: Buying, having, and being. Boston, Mass; London: Pearson Education.*

2.1.2 Influences

The nature of consumer behaviour depends on many factors, which vary in different settings and are described by Blackwell et al., (2001), putting forward two types of influences. Among consumer influences belong aspects as culture, personality, income, attitude, motivation, knowledge, family, values, available resources, opinions, past experiences or peer groups. In connection with these, reference groups will be mentioned in more detail as they have significant influence on a customer in terms of purchase decisions. In the second instance, organizational influences may affect consumer behaviour in terms of brand, advertising, promotions, price, service, packaging, product features, quality, loyalty programs or product availability (Blackwell et al., 2001, p. 7). Brand as an organizational influence connected with brand loyalty will be described in the following chapter.

- **Reference groups**

Solomon (2013) considers human desire to belong to group or to identify themselves among individuals as a primary motivation for consumption behaviour. People make an effort to please others and observe how others act in order to see what they should do and how they should behave in society. Reference group is "an individual or group which has significant influence on individual's desires and behaviour […]" (Solomon, 2013).

Reference groups take many forms and an individual can belong in many of them at the same time. Blackwell et al. (2001) put forward few types, however, for the purpose of this research only two of them will be chosen, i.e. primary and informal reference group. The greatest influence comes from primary reference group (family) as its members share similarities in beliefs and behaviour. In the second instance, informal reference groups are based on friendship and its influence is conditioned by the individual's motivation to be accepted within the group.

According to Johnson & Johnson (2011), Gen Yers are influenced by both, family and friends. However, friends' influence appears to be stronger. Studies conducted by Deloitte, Cisco or MarketingCharts has shown that vast majority of Millennials would ask for advice from friend when intending to purchase a product. Moreover, friends appear to be greater influential factor than advertising; Fallon

(2014) states that Gen Yers are more likely to buy from a brand that was referred to them by a friend, rather than one they saw in an advertisement.

Butler (2012) explains the influence of Millennials to other generations in terms of purchase decisions. Gen Yers are likely to start trends and be "vocal advocates" of those trends. Thus, they are becoming important influencer in this area. The traditional way of lifestyle and values transmission from parents to children has changed; nowadays parents inspire themselves by what their children buy and share. Giving an example, O'Donnell's (2006, cited by Nahai, 2013) research has shown strong influence of Millennials over household purchases, 52 % of car choices and 81 % or apparel purchases are influenced by young family member's opinion.

This fact also characterizes Generation X's behaviour, as Millennials' parents take advices and opinions from their children seriously and according to them often decide. Family is something what they hold dear and though having friends as well, family is the alfa omega of their life (Keene & Handrich, 2011).

2.1.3 Customer decision process

For this research consumption and post-consumption evaluation is relevant as these have an impact on brand loyalty. Consumers may be divided into three clusters according to the level of product consumption; heavy, moderate and light users. Simple rule stands here, heavy users display highest level of consumption and are known as a primary target market as most of profits comes selling to them and tend to be more loyal, which appears to be corroborated by what Geraghty (2007), when conducting a research on Irish alcohol market, found, i.e. people who consume beer more often tend to be also more loyal. Light users are quite the opposite and are likely to switch the brands more often. Moderate are in the middle of these two.

The experience which consumers gain from the purchase and consumption of the product has an impact on their future behaviour. Post-consumption evaluation are crucial for retaining customers. Consumers evaluate decision they made and end up either satisfied (in case that the expectations were fulfilled) or dissatisfied (in case that the purchase did not meet the requirements) (Blackwell et al., 2001). Customer satisfaction will be discussed in more depth in the brand loyalty chapter as these two topics are closely connected.

2.2 Brand

Brand is “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (American Marketing Association, cited by Kotler & Keller, 2012). The very basic purpose of branding is to distinguish products of one producer from another’s (Kotler & Keller, 2012). In this process, brand equity is important aspect.

2.2.1 Brand equity

Aaker & Joachimsthaler (2002) explain brand equity as “the brand assets (or liabilities) linked to a brand’s name or symbol that add to […] a product or service” (p. 17). Brand equity is an utility added to a product by a brand name and is important as a symbol of (1) quality, which is linked to differentiation of a product from competitors and (2) consistency, which basically makes people aware of what to expect (Kardes, 1999). Kotler & Keller (2012) formulate brand equity as “the way consumers think, feel and act with respect to the brand […]” (p. 265). In close connection with brand equity in terms of the consumers’ perception of a brand stands the brand mantra (slogan). Dahlén & Rosengren (2005) consider the brand slogan as a (1) prime brand associations which might affect the brand evaluations in terms of consumer’s perception of these associations and as a (2) direct carrier of brand equity symbolizing customers’ favour for the product. Positive, strong, favourable and unique associations in consumers’ mind about product/brand often result in high level of loyalty (Solomon, 2013). Here are some examples of beer brands slogans (Textart.ru) (see Table 2.1):

Beer brand	Slogan
Budweiser	*The King of Beers.*
Coors Light	*The Coldest Tasting Beer In The World*
Heineken	*Heineken refreshes the parts other beers cannot reach.*
Bud Light	*Be yourself and make it a Bud Light.*
Corona	*Corona. Miles Away From Ordinary.*
Pilsner Urquell	*Pilsner Urquell. The world's first golden beer.*
Guinness	*The most natural thing in the world.*
Carlsberg	*Carlsberg. Probably the best beer in the world.*

Table 2.1 Beer brand slogans. Adapted from *Textart.ru.*

Brand equity consists of four dimensions. Initially, as people tend to decide according to what is familiar to them and are dramatically affected by well-known brands in terms of decisions evaluations, brand awareness is important aspect (Aaker, 1992). Nedungadi's (1990) research has shown that only mention of particular brand among people can increase the probability of purchase. Secondly, perceived quality provides the reason to buy, differentiates the brand, attracts the customers' interests, is base for higher prices and enhances the customers' satisfaction during the actual usage (Aaker, 1992). Perceived quality goes hand in hand with consistency; once products are not consistent in terms of quality, customer perception of whole brand might be damaged even because of one poorly performing product (Kardes, 1999). Perceived quality seems to be important for both generations; Generation X is known to be loyal until the brand disappoints them (Jennings, 2012) and Millennials are also very sensitive toward brand failures, which results in loss of trust and patronage (Gurău, 2012). In the third instance, brand associations (image) is anything what comes to customer's mind about the brand and is closely connected to the brand management, mainly in terms of determining and developing specific associations (Aaker, 1992).

Research conducted by Porral, Bourgault & Dopico (2013) on the European beer market has shown that all features of brand equity have positive consequence on beer consumer behaviour. High beer brand equity prompt higher purchase intention and higher willingness to pay premium price for specific brand. Therefore, it is recommended to put emphasis on advertising campaigns and effective communication with customers in order to create favourable beer brand image and consequently encourage the brand loyalty.

The last asset of brand equity is brand loyalty, which will be discussed in separate chapter. According to Ngo Hoang (2012), all three dimensions mentioned contribute and strengthen the brand loyalty as they increase customer satisfaction and provide reasons to buy a product.

2.3 Brand loyalty

Oliver (1997) defines the loyalty as "a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 392). Brand loyalty is significant aspect of brand equity as it is often translated into profits. Loyal customers are likely to generate predictable sales. Indirect profits which loyalty might yield are also coming from reducing of marketing costs as retaining existing customers is less expensive that attracting new ones (Aaker, 1992).

2.3.1 Customer satisfaction

Brand loyalty is closely connected to customer satisfaction, according to Oliver (1997), loyalty is long-term effect of satisfaction. Highly satisfied customers tend to buy more, more often and talk favourable about the company and products. They are not that bothered by price changes, do not pay much attention to competing brands, companies do not have to expend huge amount of money to retain these customers and most importantly, highly satisfied customers stand loyal longer (Kotler & Keller, 2012). Satisfaction is a "building block for loyalty" (Oliver, 1999, p. 37). If the product performance do not fulfil the expectation, customer is dissatisfied, if it matches, customer is satisfied and if it exceeds, customer is highly satisfied or delighted (Kotler & Keller, 2012). Loyalty might become that strong, that any product/brand failure will not affect the loyalty state. Oliver (1999) suggests that loyalty develops from satisfaction (see Figure 2.2).

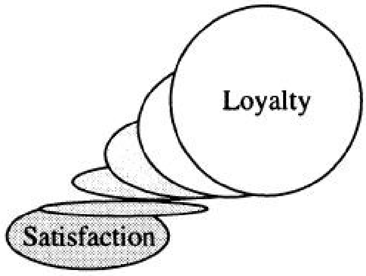

Figure 2.2 Representation of Satisfaction and Loyalty. Adapted from *Oliver, R. L. (1999). Whence consumer loyalty? Journal of Marketing, 63, 33-44*

Investigations conducted by The University of Michigan and Brand Keys in the USA has shown the link between satisfaction and loyalty in beer industry. Using customer satisfaction index, which measures the level of customer satisfaction throughout industries and Brand Keys measurement of customer loyalty toward brands in various categories, following facts were found. In 2013, the leading brewery company was MillerCoors, represented by 82 % of customer satisfaction (The University of Michigan, 2013). In the same year, beer with the highest level of customer engagement was Coors Light (89 %) and Coors together with Sam Adams (90 %) (Brand Keys, 2013). Coors as well as Coors Light are brands produced by MillerCoors (MillerCoors LLC, 2015). By 2014, MillerCoors descended to the second position with 81 % of satisfaction and was replaced by others breweries, which experienced rise from 80 % in 2013 to 82 % in 2014 (The University of Michigan, 2014). The customer loyalty in 2014 and 2015 also moved towards other breweries, in particular to Sam Adams (Brand Keys, 2014 & Brand Keys, 2015).

Though beer consumers' preferences move time to time from one brand to another, their satisfaction toward beer in general tends to remain relatively stable, with 1 % negative difference in 2011 compared with previous year (Nason, 2012). In 2014, the satisfaction fell by 2,5 % compared to 2013 in terms of large breweries, vice versa smaller beer producers experienced 3 % increase (ACSI, 2014).

Kotler and Keller (2012) point out the differences in behaviour of "satisfied" and "highly satisfied" customers and state that even though fairly satisfied customers like the brand, they do not hesitate to switch in case a better product occurs. Giving an example. Xerox's "highly satisfied" customers were six time more likely to repurchase Xerox product than "very satisfied" ones. The level of customer satisfaction is to a certain extent influenced by the word-of-mouth as these days the Internet is a powerful tool and people share opinions and spread either good or bad experiences and reviews. Aaker (1992) suggests that loyal customers tend to speak in favour of particular brand and spread positive word-of-mouth which might result in expanding the customer base.

2.3.2 Brand loyalty and profits

Oliver (1997) builds on findings from Aaker (1992) explaining existence of close link between satisfaction and profits and suggests following sequence (see Figure 2.3). Profitability arises due to direct effects of quality and satisfaction and consequently loyalty. Companies with higher quality products have better reputation among consumers, better word-of-mouth and awareness and lower costs of attracting

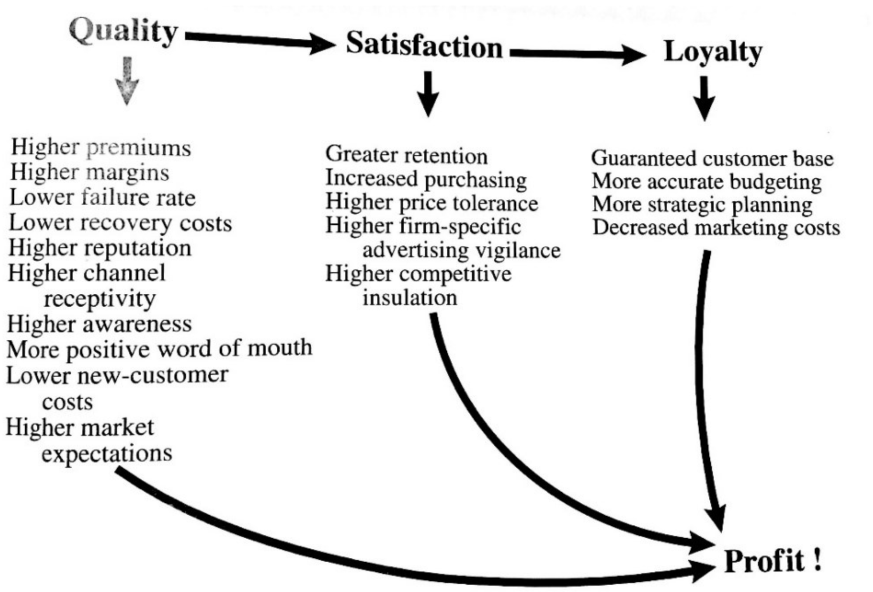

Figure 2.3 Direct Effects on Profitability of the Components of the Satisfaction Sequence. Adapted from *Oliver, R. L. (1997). Satisfaction: A behavioral perspective on the consumer. New York: McGraw Hill.*

new customers. Firms can also afford to charge higher margins. Secondly, satisfaction is directly connected to profits through influence on retention of customers as once customer is satisfied, is also more likely to repeat the purchase and to tolerate potential price changes. Finally, loyalty is significant influence as loyal customers do not require much marketing attention. According to Reichheld (2000), increase in customer retention rate by 5 % may result in profits increasing by 25 % - 95 %. Tierney (2013) refers to Starbucks and states that brand loyalty plays pivotal role in profits; it contributed to rise in profits by 26 % and consequently 11 % in total revenue.

2.3.3 Brand switching

Kardes (1999) puts forward four clusters of customers characterized by the tendency of brand switching. (1) Variety seekers like to try many different brands and switch them purposefully, but at the same time express satisfaction with present brand (Blackwell et al., 2001) and are known to be highly committed to a brand (Trijp, Hoyer & Inman, 1996). These customers seem to switch because they get bored with present brand and feel the need to try something new. (2) Market stimulus switchers also switch purposefully and moreover are heavily influenced by advertising and their decisions are driven by the lowest possible price on the market (Kardes, 1999). On the contrary, (3) brand loyal users are convinced about the preferred brand and purchase it repeatedly without considering any substitutes (Kardes, 1999) and display high level of consumer commitment (Trijp et al., 1996). The last category, (4) random switchers tend to switch the brand randomly for no apparent reason and are influenced by conditions of specific situation. Their behaviour is similar to impulse buyers' (Kardes, 1999).

2.3.4 Generation X versus Millennials in brand loyalty

Generation X is known to be deeply brand loyal, they stay connected to their brands, until, however, the brand disappoint them. Gen Xers also keen on product quality and are willing to pay more (Jennings, 2012). Moore (2009) argues strong influence of advertising on Gen Xers brand preference. Lamb (2011) refers to data from eMarketer study and puts forward few characteristics of Generation X. Gen Xers are characterized by high to extreme level of brand loyalty, in comparison with Millennials or Baby Boomers. They have grown up without digital advertising and are in favour of traditional marketing though are comfortable using digital media channels as well. They have high affinity to brand they trust and are willing to pay premium price for their favourable products. Generation X is also less interested in trying new brands. Williams (2014) points out that once a company has strong relationship with Gen Xers, then has also loyal customer for life.

While Gen Xers are not that price sensitive and are willing to accept higher price, Millennials are not the case. Price and product features are more important for them than brand. They want products that grasp their personality and lifestyle and pay little attention to brand (Gurău, 2012). Cioletti (2013) considers Millennials not "big on declaring their allegiance to any one brand". According to Cioletti, Gen Yers are group of people with least established brand loyalty. The need to try many different things before they choose the preferable brand from alternatives. Generation Y is considered rather sceptical of advertising as they have been in close contact with marketing efforts since they were born. Nevertheless, results of conducted research has indicated that Gen Yers are not entirely immune to advertising. They seem not be influenced by traditional marketing activities, vice versa alternative methods (sponsorship of sport teams, attractive slogans, guerrilla marketing, unique product placement etc.) seem to work for attracting this group of consumers (Moore, 2009). Crosariol (2014) considers Millennials as quite fickle when it comes to brand and beverage choice. Crecca (2015) has also suggested that Millennials are least brand loyal and thanks to their exploratory tendencies are willing to try new products. Crecca (2013) compared Millennials with other older generations and suggests that beer brand is for Gen Yers more important when selecting drinks in restaurants and bars than for other generations. They also constantly seek something new. However, there is one area where Millennials seem to display higher level of loyalty, i.e. high-price products such as laptops (Gurău, 2012).

Han (2015) points out interesting findings, i.e. if a brand attracts Generation X, it risks losing Generation Y. No one from Millennials wants what their Gen X parents have. Finally, data reported by Greenberg (2011) proposed that only 3 % of Gen X and Y express *infinite* loyalty to particular brand and never buy anything else.

3 Characteristics of Czech and English Beer Market

3.1 General description of beer market

Beer market is known to be "the largest volume alcoholic drink in the world" (Larimo, Marinov & Marinova, 2006, p. 372). Beer is the most consumed alcoholic beverage in comparison with wine, spirits and other alcoholic drinks. In 2007, the value of global beer consumption was around 112 billion euros (Swinnen, 2011). The brewery industry was dominated by local breweries in the past (Larimo et al., 2006), however, in the last century it started to internationalize and has evolved from domestic market into global market industry (Karrenbrock, 1990).

The process of internationalization has been continuing until these days, when the beer market concentration, i.e. "the degree to which a small number of firms provide a major portion of the industry's total production" (Investopedia, 2015) is hugely affected by mergers between particular brewery companies or shake-outs of small brewers. This strong consolidation was driven also by television advertising, which is very influential in this area. The emergence of commercial TV contributed to the shake-out of local breweries as these were in order to spread the geographical influence and lower the advertisement costs per consumer forced to either quit or become part of larger national brewing companies. Hence, market concentration has increased. In the last decades, impact of globalization was evident in brewing industry as well; SABMiller was created through merger between South African Breweries (most powerful brewery in South Africa with influence also in Europe) and Miller (second largest US brewery). Similarly, Anheuser-Busch Inbev NV resulted from the merger between Interbrew (Belgium), AmBev (Brazil) and Anheuser-Busch (Swinnen, 2011). Additionally, Carlsberg merged with Tuborg, later acquired Orkla and Scottish & Newcastle and formed Carlsberg A/S, the world's fourth largest brewer (Carlsberg Group, 2015a & Carlsberg Group, 2015b). These companies together with Heineken, another leading world player, dominate the today's global beer market holding more than half of this market's share (Economics online, 2015).

Beer market can be generally described as an oligopolistic market due to small number of dominating firms holding large market share and causing substantial barriers to entry. Therefore one can doubt about the nature of the beer market in terms of competitiveness (An Empirical Price Analysis of Beer, 2009). Linstead (1989) justifies the oligopolistic structure of beer market by following characteristics. The production is concentrated in hands of few large breweries, which causes high market concentration due to sequence of horizontal mergers. Also, quite high level of vertical integration occurs as firms acquire suppliers and retailers. Consumers do not have strong market power and product portfolios are very similar. The competition do not take place in prices, but in the area of advertising, promotional activity, style etc. Barriers to entry are high as large breweries are well-established and experience customer loyalty. Finally, brewery companies tend to diversify in other industries, such as catering or leisure in order to widen their strategic options.

One can specify the beer market from product and geographic dimension. Product market is determined by "the ease of substitution among products (brands of beer), with those that are in the same market being close substitutes and those that are outside being very imperfectly substitutable with those that are inside" (Swinnen, 2011, p. 175). Product-market substitution depends on product characteristics, such as alcohol content and type of beer (lager, premium, stout etc.). In terms of geographic perspective of beer, it is usually adopted that beer market is geographically national. Prevailing type of beer is lager across the globe.

Beer consumption is affected by various factors; Swinnen (2011) refers to Tremblay & Tremblay (2005) and state that consumer's demand for a beer is affected by price of particular beer, price of substitutes and complements, consumer's income and product's characteristics (p. 125). The possibility of addiction on beer has also an impact on the demand. Many studies has shown that the demand for beer is quite proof against price changes and moreover, that consumer's income has also relatively small effect on demand. When considering demographic factors, men tend to drink beer more than women and people in age of 18 – 44 are more likely to find beer popular than people over 45. Beer is known to be often drunk among group of friends or other social groups and these usually drink the same style of beer. This is likely to affect individual's preferences and to cause peer effects. Moreover, the consumption depends not only on individual himself, but also on the social settings in which the product is consumed, specifically by whom else is consumed (Swinnen, 2011). Further, Pollak (1970) and Gao et al., (1997) cited by Swinnen (2011) claim that the taste preferences are influenced by household characteristics. Therefore, consumer might tend to change preferences as a result of interpersonal contact with friends, peers, family or other people.

Beer is interesting case in terms of preferences and their potential changes. Experience and past consumption is very powerful aspect here as it together with other people's consumption behaviour and availability determines the preferences. Research conducted in the USA among international students has shown that the most important reasons for changes in beer consumption habits are change of taste (29 %), peer influence (24 %), availability (31 %), price (10 %) and other (6 %) (Swinnen, 2011)

3.2 Characteristics of English beer market

By the beginning of new millennium, UK beer market was the second largest in Europe with 5,891 billion litres of produced beer. In the period from 1900 – 1980, the market experienced significant structural changes in terms of number of breweries, which was successively decreasing from approximately 6 500 to 142. Concurrently, their size was dilating and by 1980 the average size of brewery reached roughly 48 billion litres of produced beer. This was caused by consolidation process taking place during the twentieth century when many breweries were merging and concentrating together (Swinnen, 2011) and middle-sized breweries were taken over by larger companies (Esteve-Pérez, 2012; 2010). The chain of mergers brought about significant change in the market structure and increased the market concentration (Slade, 2004) and this consolidation transformed quite fragmented industry into stable oligopoly (Esteve-Pérez, 2012; 2010). These days, the market power is more or less possessed by four big companies. Nevertheless, the variety of local brands and their characteristics remained despite strong consolidation (Slade, 2004) and a certain number of small breweries managed to remain on the market and satisfy the demand by supplying traditional beers (Esteve-Pérez, 2012; 2010).

UK is both large producer and consumer of beer. Draught beer constitutes of 60 % of the market share. Beer consumption in the UK was nearly 100 litres per capita in 2004 (Swinnen, 2011) and 81,6 litres per capita in 2009 (Madsen, Pedersen & Lund-Thomas, 2012). Slight decline in per capita consumption seems to confirm the fact proposed by Swinnen (2011) that beer consumption in the UK tend to decline. The share of beer in the British market was 45,35 % in 2005, which is considerably lower than in 60's, however, it still represents almost half of total alcohol consumption in the UK (Swinnen, 2011). Vignali & Vrontis (2000) analysed the UK beer market and found that the preferences has moved from bitter to lager, which became the most popular type of beer in the UK (Yates, 2003). According to Statista (2015), lager held 58 % of total UK sales. The leading brands are Stella Artois and Carling (Yates, 2003 & Vignali and Vrontis, 2000).

3.2.1 Leading breweries in the UK

In 2012, Heineken UK represented 24 % of the market share (Brewing and Beverage Industry International, 2013) and is the UK's leading cider and beer business (Heineken, 2013). Heineken brewery is an evidence of the vertical integration as by 2013 owned 1250 pubs in the UK (Heineken, 2013). Second largest UK brewer is MolsonCoors, selling second best selling beer brand in the UK (Carling), followed by AB In-Bev, leading global brewer, which is selling the best selling beer brand in the UK (Stella Artois), fourth largest is Carlsberg. Important brewer operating on the British market is also Diageo and SABMiller. The overview of British breweries and promoted brands is displayed in Table 3.1.

Brewery	Promoted beer brands
Heineken	Foster's, Strongbow, John Smith's, Kronenbourg, Bulmers, Heineken, Amstel, Desperados, Newcastle Brown Ale, Sol, Scrumpy Jack, Birra Moretti, Old Mout, Woodpecker, Tiger, Symonds, Murphy's, Theakston, Jacques, Deuchars IPA, Sagres, Affligem, Kingfisher, Żywiec, Blind Pig, Barley Brown Black and Monteith's
MolsonCoors	Blue moon, Carling, Cobra, Coors Light, Keystone Light, MGD 64, Miller, Molson, Rickard's Red, Staropramen and Doom Bar
AB In-Bev	Stella Artois, Corona, Budweiser, Beck's, Cubanisto, Leffe, Hoegaarden, Brahma, Löwenbräu, Bass, Bud Light, Whitbread, Mackeson and Bodingtons
Carlsberg	Carlsberg, Somersby Cider, Holsten, Tetley's, Birrificio, Grimbergen, Baltika, Skol and Tuborg
SABMiller	Tyskie, Miller, Grolsch, Kozel, Peroni, St Stephanus, Pilsner Urquell, Zubr, Cusquena, Lech and Debowe
Diageo	Guinness
Boston Beer Co.	Sam Adams
C&C Group	Tennent's

Table 3.1 British breweries. Source: Author's adaption of information provided on breweries' websites.

3.3 Characteristics of Czech beer market

Eastern European market is considered to be one of the most important players in the world beer market with 17 % of total world beer production in 2008. As Eastern Europe mostly consists of former communist countries, economic and political reforms in the late 20th century had a significant impact on the beer market development and structure. These reforms moved the regions closer to Western

European market system and attracted foreign investments from companies like AB InBev, SABMiller, Heineken and Carlsberg, which in a few years took over all the main Eastern European breweries. The Eastern European market was attractive thanks to rich beer tradition, high consumption, relatively high incomes and proximity to the EU (Swinnen, 2011). Larimo et al., (2006) add further positive aspects, such as modern technology and production know-how. The Czech Republic was one of the first countries which were invested in thanks to highest income in the CEE region and most advanced reforms processes. In the Czech Republic, first breweries which invested were Interbrew (now AB InBev) and Heineken (Swinnen, 2011).

Production and consumption of beer in the Czech Republic tend to remain stable; the consumption was around 1,6 billion litres in the period 1989 – 2007 as well as the production, which ranged from 1,69 – 1,99 billion litres. When considering the consumption per capita, the Czech Republic is the market leader among European countries with 145 litres per year in 2007. By the beginning of new millennium, Czech beer market was among eight largest beer markets in Europe with 1,780 billion litres of produced beer. In 2005, the share of beer in the Czech market was 58,97 % (Swinnen, 2011). Czechs are the world champion beer drinkers with 160 litres per capita (adapted from the FAOstat survey in 2010). In 2013, the per capita consumption was 147 litres (ČSÚ, 2013).

The market structure was changing during the 21th century; in 2000, the Czech market was divided into two rather similar size clusters including four largest world breweries representing 48 % of market share (AB InBev 10 %, Carlsberg 0 %, Heineken 1 % and SABMiller 37 %) and other breweries (including domestic ones) held the market with 52 % share. However, by 2009 the situation was different. Even though Carlsberg remained its position with 0 % of market share, other three companies' influence intensified and resulted in AB InBev having 12 %, Heineken 10 % and SABMiller controlled nearly half of the Czech market with 44 % of market share. Other breweries' share decreased to 34 %. (Swinnen, 2011).

3.3.1 Leading breweries in the Czech Republic

Czech beer market is dominated by the "big four" – Plzeňský Prazdroj (owned by SABMiller, Czech largest brewer), second largest brewery Pivovary

Staropramen (MolsonCoors), Heineken and Budějovický Budvar (state brewery). These four hold 75 – 80 % of total beer production. Another strong brewery is Skupina PMS Přerov and certain level of market share also hold Rodinný pivovar Bernard and Pivovar Svijany (Ministry of Defence of the Czech Republic portal, 2015). Danish Carlsberg also operates on the market, though with quite low intensity; it is imported and sold by Budějovický Budvar (Budějovický Budvar, 2015b) and through acquisition of Žatecký pivovar in 2014 developed its position on the market (Hospodářské noviny, 2014). For overview of breweries operating on Czech market see Table 3.2.

Brewery	Promoted brands
Plzeňský Prazdroj (SABMiller)	Pilsner Urquell, Gambrinus (the leading brand), Radegast, Excelent, Birell, Master, Fénix, Frisco, Primus, Klasik and Velkopopovický Kozel (second best sold brand)
Staropramen (MolsonCoors)	Staropramen, Braník, Ostravar, Carling, Hoegaarden, Leffe and Velvet
Heineken	Starobrno, Zlatopramen, Heineken, Krušovice, Březňák, Desperados, Zlatý Bažant, Hostan, Louny and Dačický
Budějovický Budvar	Budweiser Budvar, Pardál, Carlsberg
Pivovar Bernard	Bernard
Skupina PMS Přerov	Litovel, Zubr and Holba
Pivovar Svijany	Svijany
AB In-Bev	Stella Artois
Diageo	Guinness

Table 3.2 Czech breweries. Source: Author's adaptation of information provided on breweries' websites.

3.4 Brand loyalty on the beer market

Howaniec (2012) investigated the Polish beer market and came up with following results regarding the importance of various factors for consumer when evaluating the product and building potential loyalty. The most important product aspect is high quality, followed by low price and long tradition of brewery. In the fourth place, consumers expressed the relevance towards brand image. At the last two places are attractive packaging and advertising.

Orr (2014) made an experiment in the UK which has shown that the brand loyalty in the beer market is driven hugely by marketing and packaging rather than characteristics of the product, such as taste. This is linked to research conducted by Allison & Uhl (1964) which has shown that brand associations and image significantly affect the consumer evaluations. Findings from their experiment indicated that while in a blind test comparison beer drinkers cannot identify their preferable beer brands and rate all examined brands rather similarly, once the experiment participants were given the labelled bottle and were enabled to identify their brand, ratings toward "their" brand considerably increased. The research has proven that the loyalty of participants toward their preferable brands increase when they can easily identify the brand and their consequently evoked associations do influence their evaluations. Furthermore, it is evident that the success on the beer market is conditioned by brand image created by marketing efforts and advertising and customer perception of the brand.

Almenberg, Dreber & Goldstein (2014) build on previous research in the area of consumer ability to distinguish different beer brands in blind-test and in their study focusing on European lager beers found that beer drinkers are unable to tell apart particular brands. Moreover, they explain that consumer loyalty towards beer brands is not underpinned by sensory properties, but product differentiation and marketing efforts by breweries. Hence, beer brands might be considered as identity brands, which means that consuming particular beer brand becomes part of consumer identity and actual taste does not have significant impact on consumer's preferences. Almenberg et al., (2014) give an example of European lager market, where identity-relevant attributes comprise brand image (influenced by huge advertisement), packaging, consumer's associations with the country of origin and also reference group influence, in particular peers. Expectations play important role as well as they affect tasting experience prior to the actual consumption.

Research conducted by Murray (2009) in the UK has shown that the brand loyalty among alcohol (beer and wine drinkers) is influenced by the place of consumption. Beer drinkers admit that their loyalty increases when they drink socially; the percentage of brand loyalty regarding in-home drinking was twice lower that socially elsewhere. Geraghty (2007) found direct link between brand loyalty toward draught beers and age. In his paper he claims that the degree of brand loyalty is higher among people older 41 years compared to people in age of 18 – 24. Moreover, heavy users of alcohol tend to be highly brand loyal. Research has also shown that gender nor advertising affect the brand loyalty.

Crecca (2015) refers to her previous research and puts forward the importance of beer brand when making decision for 66 % of consumers. Study carried out by Nielsen Company in 2010 (cited by MarketingCharts, 2010) has shown that even recession in economic cycle would not affect the brand loyalty of most beer drinkers towards their preferred brand; specifically, 83 % of beer drinker would not change the brand they usually purchase. Appleby (2015) refers to the interview with British senior brewer and explain that consumers are turning into "beer slappers", are more adventurous and have repertoire of brands which they choose from. The brand loyalty also appears to undergo significant change in terms of its level.

Based on the insights gained from reviewing the literature, hypotheses were stated:

1) Generation X will show higher level of loyalty than Millennials.
2) Brand loyalty in the Czech Republic will be greater than in the UK within both examined age groups.

4 Research Methodology

4.1 Research approach

Maylor & Blackmon (2005) introduce two different research approaches which can be used when conducting a research, i.e. scientific and ethnographic. When using scientific research approach, it is being explored 'what' and 'how much'. This type of research is based on measurement and methods which can be applied are survey or experiment. As this research requires the exploration of what (brand loyalty) and how much (its level and differences between two compared generations), scientific approach will be applied. Deductive logic will be utilized; once the data are collected, the results of analysis will provide answers to research question and either prove or disprove the hypothesis. Deductive logic is connected with quantitative research (Saunders, Lewis & Thornhill, 2012), on which this research will be based as it is intended to collect as much data as possible and then statistically analyse them.

4.2 Research strategy

Survey was considered as the best option how to conduct this research. Survey is appropriate when intending to gain facts, opinions, behaviour and attitudes from large amount of respondents. Moreover, surveys represent quick and cheap way of collecting primary data. It also corresponds with scientific approach as usually gives answers to concrete questions (Saunders et al., 2012 and Maylor & Blackmon, 2005). These characteristics are very appropriate for how the data are planned to be collected. Moreover, advantages which these attributes bring were key in making decision which research strategy to use.

4.3 Research method

Self-completed questionnaire (web-based, email-based and in person distribution) was chosen as a research method because of following characteristics. Questionnaire is the most common and popular research method in survey. It enables to collect data from considerable amount of people in economical way and is also convenient for making comparisons. These characteristics contribute to author's selection the questionnaire as research method. However, questionnaires allow to ask limited number of questions which might be considered a disadvantage (Saunders et al., 2012). Another drawback is limited response rate or missing data due to half-complete questionnaire (Maylor & Blackmon, 2005).

The data collection was conducted several ways. Firstly, the questionnaire was put online and distributed on social media websites. Secondly, the questionnaire was emailed to students and teachers of The University of Huddersfield. Thirdly, the questionnaire was distributed among people in local library and in the beverage company in the Czech Republic. The same approach was tried in the UK as well, however, companies were not willing to participate on this research. Finally, author decided to collect the data on the street asking random people to fill in hard-copy of the questionnaire. These efforts resulted in having 429 completed questionnaires.

The author initially cleaned the data from misleading answers in open-ended questions and omit also respondents in uncompliant age category. As next, data from both countries were put and analysed in IBM SPSS Statistics. Preliminary analyses has shown some basic characteristics and profiles of respondents, on which then deeper analysis was made using several statistic techniques, such as one way and two way between groups ANOVA test and Pearson product-moment correlation.

4.4 Population

This study examines the Generation X and Generation Y. The author of this paper considers these two groups of people suitable to conduct an analysis of differences in brand loyalty due to the evidence of distinct behaviour in terms of brand loyalty (Greenberg, 2011 cited by Gurău, 2012). According to Howe & Strauss (2000) (cited by Gurău, 2012), changes in the macro-environment in time period which people are born in have an impact on their purchasing and consumption behaviour. Moreover, it is generally known that Millennials differ from Generation X in their “values, characteristics and behaviour” (Gurău, 2012).

4.5 Sampling

Non-probability sampling was chosen as sampling approach. This type of sampling consists in systematic and purposeful selection of units, while some units have greater chance to be selected than others. There are four techniques to use in non-probability sampling; quota sampling was considered as the most appropriate for this paper. When using quota sampling, the researcher defines the characteristics which the sample should have. This study focuses on Generation X and Generation Y, both determined by the year of birth according to which were divided into two groups. Moreover, each category is required to have sufficient and equal representativeness of both categories (Maylor & Blackmon, 2005). In order to achieve unbiased results, the author made an effort to have even number of responses from British as well as Czech representatives of both generations. The effort resulted in having the ratio in both countries across both generations at least 65 % to 35 %.

4.6 Design of questionnaire

There are four types of questions in the questionnaire, open ended, single answer choice, multiple answer choice and rating scale. The researcher created two versions of questionnaire, one is designated for the Czech market and the other for the British market and consists of 17 and 18 questions, respectively. Slight difference in the total number of questions is due to omission of income question in Czech version as this was expected to be answered not truthfully. The author decided not to include this question in order to remain the quality and representativeness of the study. Further explanation will be outlined in limitations of the study.

The initial questions aim at (1) distinguishing the beer drinkers from non-drinkers and identifying the beer consumption, (2) determining the distribution channels where respondents purchase the product and its types, (3) splitting respondents into two groups according to the beer brands they prefer in order to identify the market share of particular breweries and their popularity among people.

Further, influential factors when selecting a beer brand are examined, these are price, brand and reference groups. Additionally, influential factors in terms of brand switching are investigated together with exploring the brand loyalty itself by rating scale 1 – 7 (1 totally disagree, 7 totally agree).

The last part of questionnaire comprises personal information questions asking to gender, age, country of residence, education, labour market status and income. With regards to the age variable, options are divided according to the range in which particular generations are defined in, i.e. 1965 – 1979 and 1980 – 1995.

4.7 Pilot study

The very first version of questionnaire was discussed with supervisors in order to find a consensus on both sides. Based on the discussion, questions regarding distribution channels were added together with additional brand loyalty exploring questions, while income question was removed from version for the Czech Republic in order to remain the quality, truthfulness and representativeness of results (explained in more detail in limitations of study). Moreover, few questions about brand loyalty were transformed from single answer to rating scale type of questions. Preliminary distribution of questionnaire was done among family members and few friends prior to the online distribution. There were not any question misunderstanding, therefore the questionnaire was ready to be distributed.

4.8 Sample structure

The total number of obtained questionnaires is 429, from which 214 males and 215 females 215 (Table 4.1).

Sex

		Frequency	Percent
Valid	Male	214	49,9
	Female	215	50,1
	Total	429	100,0

Table 4.1 Sample Structure according to Gender.

As shown in Table 4.2, Generation Y respondents (20 – 27 and 28 – 35 years olds) comprise of 243 responses, Generation X (36 – 43 and 44 – 51 years olds) is represented by 186 completed questionnaires. The slight difference in the total count of responses for each generation is caused by experienced difficulties in collecting data from older age group. The representation of each of examined country is rather similar; Czech Republic with 53,8 % and The United Kingdom with 46, 2 % (Table 4.3).

Age

		Frequency	Percent
Valid	20 - 27	193	45,0
	28 - 35	50	11,7
	36 - 43	100	23,3
	44 - 51	86	20,0
	Total	429	100,0

Table 4.2 Sample Structure according to Age.

Country of residence

		Frequency	Percent
Valid	Czech Republic	231	53,8
	The United Kingdom	198	46,2
	Total	429	100,0

Table 4.3 Sample Structure according to Country of Residence.

The most of obtained sample has secondary education, followed by respondents with some form of university degree (see Table 4.4).

Education

		Frequency	Percent
Valid	Primary education and Specialized school	40	9,3
	Secondary education (A-Levels and GCSE)	203	47,3
	University	186	43,4
	Total	429	100,0

Table 4.4 Sample Structure according to Education.

Nearly 40 % of respondents are students, considerable percentage (27,5 %) constitutes of full time employed people (Table 4.5).

Labour market status

		Frequency	Percent
Valid	Student	160	37,3
	Full time employment (headwork)	75	17,5
	Full time employment (manual work)	14	3,3
	Part time employment	47	11,0
	Self-employed	51	11,9
	Unemployed	39	9,1
	Full time employment	43	10,0
	Total	429	100,0

Table 4.5 Sample Structure according to Labour Market Status.

The annual income was examined only in the UK due to reasons explained above, the highest number of respondents earn annually less than £10 000. This is assumed to be cause by high response rate from students (as shown in Table 4.6).

Annual income

		Frequency	Percent
Valid	£0 – £9,999	98	22,8
	£10,000 – £19,999	14	3,3
	£20,000 – £29,999	20	4,7
	£30,000 – £39,999	23	5,4
	£40,000 – £49,999	23	5,4
	£50,000 and more	19	4,4
	Total	197	45,9
Missing	System	232	54,1
Total		429	100,0

Table 4.6 Sample structure according to Annual income.

4.9 Limitations of the study

The study focuses on Generation X and Y only, other generations are not examined. Furthermore, as the beer market is used as a ground for investigating the brand loyalty, the results might not be the same for other industries. The sample is limited as only the University of Huddersfield members' email addresses were used for distribution. The survey was also posted only to the Facebook group of Huddersfield University students and Czech university VSB – TUO students. The author made an effort to make the sample wider and asked few companies from the UK to fill the questionnaire, however, this course of action was not successful at all as companies were not willing to participate on the research. The sample of British respondents is limited to students and university stuff and inhabitants of the town of Huddersfield. The sample of Czech respondents is limited to university students as well, inhabitants of Czech village and employees of beverage company. These facts are likely to make the results of the research non-representative enough and do not enable to generalise the findings to both whole British and Czech Generation X and Y and all industries, where brand loyalty plays important role.

The very initial intention of the author was to conduct the research in the car industry. However, in order to find ideal comparison and to collect sufficient amount of quality data, after the discussion with supervisors, it was decided to focus on the brewery industry. The reasons for such course of action were following. Firstly, car industry did not seem to offer relevant and suitable ground to make a comparison as the representation of car brand is different in the UK and in the Czech Republic and moreover, the years of entry of particular brands were different as well. The opportunity of each generation in each country to get to know the brand and eventually make some relationship to it was therefore not equal, which might bias the research results. Secondly, the author assumed that the number of Millennials owning a car will not be that huge to be able to collect enough relevant data. The number of young people drinking beer was assumed to be higher that the number of people owning a car. Finally, the author also supposed that people in age of 20 – 35 years might not be capable of being loyal toward a car brand as in that age they either do not own a car yet or use their first or second one. These facts were considered as potential threats in terms of attaining the data and contributed to the consideration of conducting the research in different industry.

Finally, the perception of Czech citizens of question asking to income seemed as a limitation of this study. It was expected that people in the Czech Republic would not answer the income question truthfully, therefore the author decided to omit this question in Czech version of questionnaire. Even though this decision affected the analysis as the comparison of both generations and countries could not be done in terms of income and social class, the author chose the way of least resistance in order to have relevant and reality-displaying results. Due to several limitations which this paper has, any result interpretation should be taken carefully.

5 Research Findings

5.1 Frequency of beer consumption

As shown in Figure 5.1, all age categories drink beer at least few times per year. The most of Gen Yers claims to consume beer once or twice per week or per month, similarly as Gen Xers, but considerable percentage of post boomers admit to drink beer every day. When comparing gender in terms of frequency of consumption, men appear to drink beer more often than women.

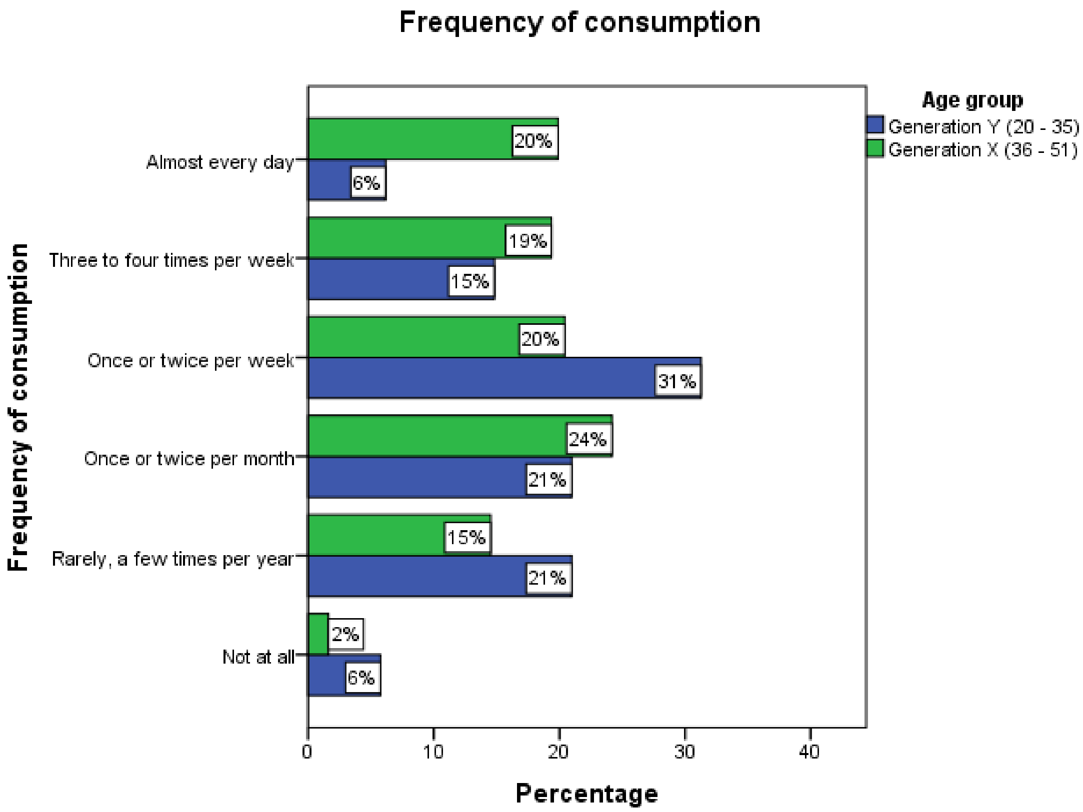

Figure 5.1 Frequency of Beer Consumption according to Age Groups.

Furthermore, Generation Y consume beer particularly in restaurants and bars, Generation X prefer home. Data has also shown that people drink draught beer the most of times. Lager has been proven to be the most popular beer type in both countries; in the UK, lager holds nearly 50 % of whole market, followed by premium, wheat beer and ale. In the Czech Republic, the most consumed beer types are lager, výčepní and premium (27 %; 23 % and 11 % respectively).

Analysis of the market structure was made pursuant open ended question where respondents were asked to state three favourite brands. On the Czech market, the major player is SABMiller with nearly 60 % of market share, followed by other smaller breweries (15 %) and Staropramen (owned by MolsonCoors) with nearly 10 % of market share. World players as Heineken or AB In-Bev constitute of negligible percentage of Czech market share. In the UK, Heineken and AB-InBev are large players and each constitute of 27 %. MolsonCoors (12 %) and Carlsberg (17 %) hold significant market share as well. SABMiller represents only 10 %. The UK market is overall more fragmented in comparison with Czech one; none of the breweries holds more than 30 % of the market. For more detailed overview, see Figure 1 and Figure 2 in Appendix A.

5.2 Importance of price vs brand

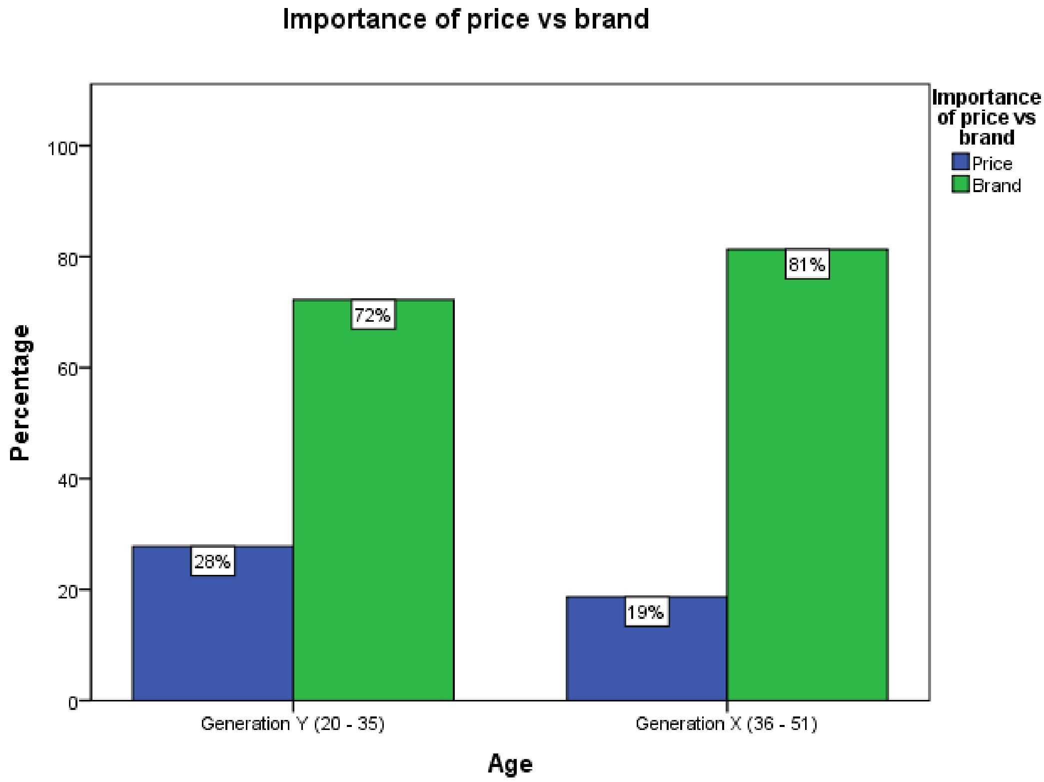

Figure 5.2 Importance of Price versus Brand according to Age Groups.

Figure 5.2 demonstrate pivotal role of brand in beer choice for both examined generations. 81 % of Gen Xers and 72 % of Millennials find brand more important than price.

5.3 Sources of information

According to the data, respondents are influenced by various factors when selecting a beer brand. For both countries, own taste plays considerable role together with favourite brand in family and among friends.

In the UK, advertising seem to be less significant influential factor for beer brand selection which does not match with findings from Allison & Uhl (1964) saying that consumers' beer brand choice is conditioned by marketing efforts, advertising and brand image more that taste. Nevertheless, the effect of advertising on beer brand choice is significantly higher in the UK than in the Czech Republic, where it is also on the fourth place after taste, friend's opinion and favourite brand in family, but its impact is negligible. Moreover, it is evident that while Czech respondents attribute more importance to personal sources of information (i.e. taste), British participants are significantly influenced also by non-personal sources, such as

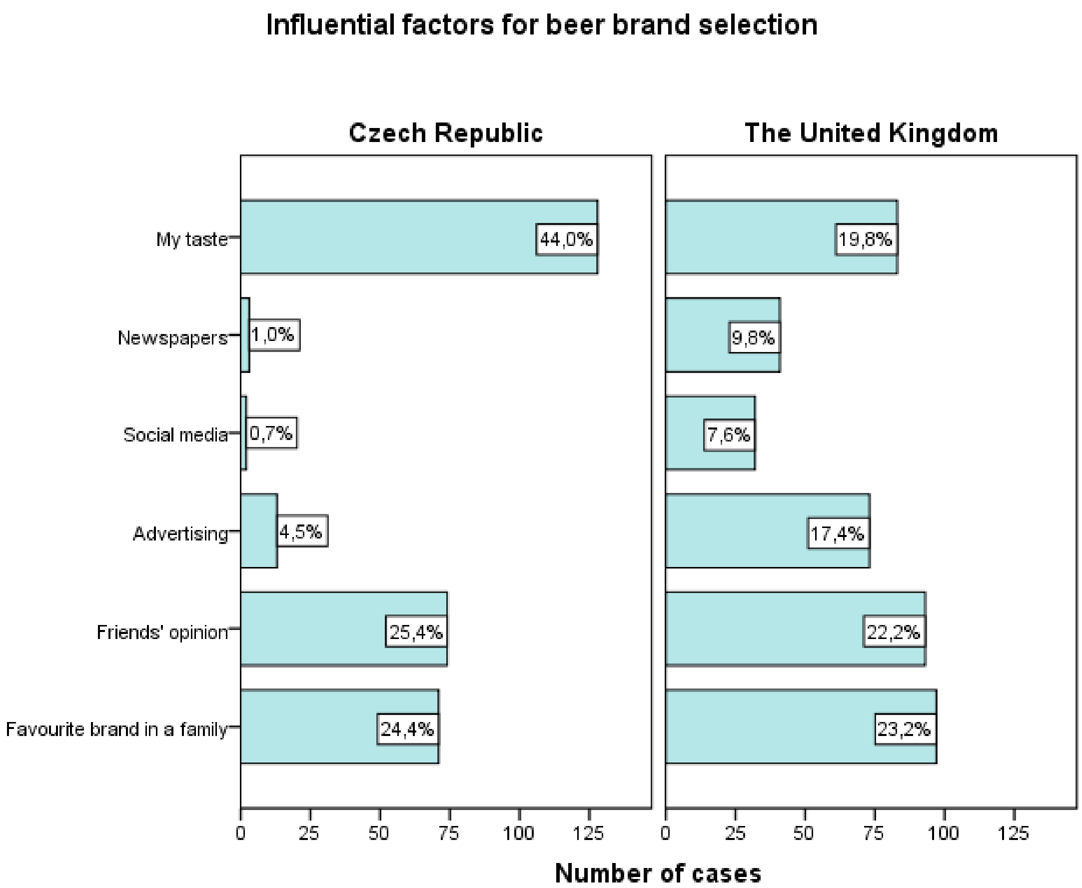

Figure 5.3 Sources of Information according to Country.

advertising and acquaintances' opinion (Figure 5.3).

5.4 Brand loyalty

This section aims at analysing stated hypotheses. When evaluating the mean scores, one should be aware of caveat of opinions as particular statements (1-7) on rating scale can be perceived by different respondents differently.

5.4.1 Brand loyalty versus Age

Hypothesis 1: Generation X will show higher level of loyalty than Millennials.

Initially, data was tested with one way between groups ANOVA test in order to explore the impact of age on brand loyalty. Participants were divided into four age groups (Group 1: 20 – 27, Group 2: 28 – 35, Group 3: 36 – 43 and Group 4: 44 – 51) and these were then compared with statement "I consider myself brand loyal toward beer brands". Statistically significant difference at p =.00<.05 was shown in brand loyalty for all age groups (see Table 5.1). Post hoc comparisons using Tukey HSD test indicated that Group 1 (M=3,97) and 2 (M=3,16) significantly differ from Group 3 (M=5,47) and 4 (M=5,83). Also, small difference in mean score was shown between Group 1 and 2. Thus, there is great difference in brand loyalty between Millennials, who consider themselves less brand loyal, and Generation X, displaying high level of loyalty. This result stands in accordance with the nature of attitude when selecting beer brand described by respondents; Generation X considered themselves significantly more conservative than Generation Y. Surprisingly, young Gen Yers tend to be more loyal than older (see Figure 5.4).

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	371,752	3	123,917	46,359	**,000**
Within Groups	1074,536	402	2,673		
Total	1446,288	405			

Table 5.1 ANOVA test for age/brand loyalty.

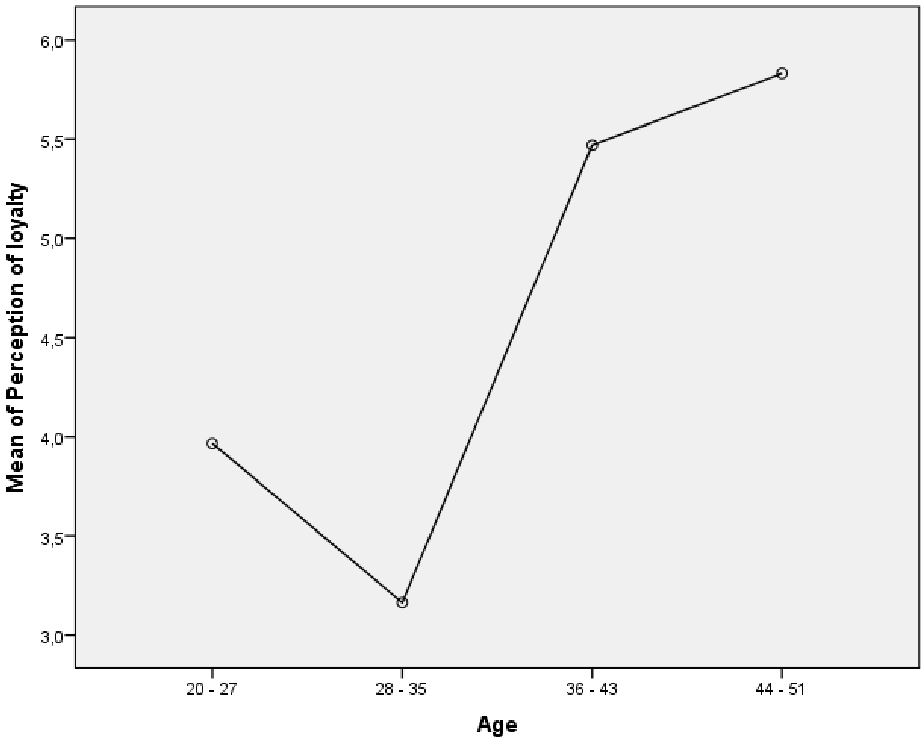

Figure 5.4 Brand loyalty according to Generations.

With existing relationship between loyalty and age, the author conducted Pearson product-moment correlation, which has shown moderately strong positive correlation (r=.434) indicating higher age associated with higher loyalty (see Table 5.2).

Correlations

		Age
Perception of loyalty	Pearson Correlation	**,434****
	Sig. (2-tailed)	,000
	N	406
Age	Pearson Correlation	1
	Sig. (2-tailed)	
	N	429

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.2 Loyalty/age relationship

Then, in order to examine the relationship between age and willingness to try new brands of beer, Pearson correlation was utilized. Negative correlation of medium strength occurred (r=.-298), which indicates that with increasing age the willingness to try new brands of beer decreases. This finding supports results above showing higher brand loyalty in higher age (Table 5.3).

Correlations

		Age
New brands of beer	Pearson Correlation	**-,298****
	Sig. (2-tailed)	,000
	N	404
Age	Pearson Correlation	1
	Sig. (2-tailed)	
	N	429

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.3 New brands trial/age relationship.

Using VALS framework categories of consumers, Generation Y display characteristics of (1) innovators as are open to change, (2) experiences, impulsive and young people who like trying new products and brands and (3) strivers as they rely on approval from their friends. They have weak preference for one brand over another and tendency to make impulsive purchase decisions. With regards to brand switching typologies proposed by Kardes (1999), they are not random switchers as they claimed to switch due to specific reasons, i.e. deterioration in quality (taste) of beer and unavailability of brand. However, they seem to display some characteristics of variety seekers as they admit the desire to try something new to be one of the reasons to switch, and market-stimulus switcher as advertising has certain impact on their decisions. Moreover, their low level of loyalty is underpinned by the high level of willingness to switch between brands; vast majority of examined sample of Generation Y either have no preferences in terms of beer brands or switch between more.

Gen Xers, vice versa, turned out to be consumers who stick to proven brands and do not feel the desire to try new ones, therefore are classified as believers. They share set of characteristics with Millennials in terms of the importance of other people's opinion and thus display characteristics of strivers as well. Moreover, higher level of Gen Xers' loyalty in comparison with Millennials is corroborated by rather low level of willingness to switch between beer brands; they stick to their favourite brands. No effect of advertising was shown, which goes against Moore's (2009) findings indicating strong influence of advertising on brand preference for Generation X.

Analysis has revealed that Millennials are significantly less loyal than Generation X, therefore hypothesis 1 is not rejected.

Hypothesis 2: Brand loyalty in the Czech Republic will be greater than in the UK within both examined age groups.

In order to examine the impact of age and country of residence on brand loyalty, two way between groups ANOVA test was conducted. Participants were divided into four age groups. The interaction between age and country was proved to be statistically significant (p=.000), which indicates effect of age on loyalty in both countries. Moreover, statistically significant main effect for age was shown (p=.000). The effect size was counted using partial eta squared, i.e. the proportion of variance of the dependent variable that is explained by the independent variable. The result η = .252 indicated small to medium effect. Similarly, significant main effect for country was proven (p=.025), however, with very small effect size (partial eta square=.013). This means that beer brand loyalty is influenced by both, age and country of respondent's residence, nevertheless, age has greater impact (see Table 5.4).

Tests of Between-Subjects Effects

Source	Sig.	Partial Eta Squared
Corrected Model	,000	,311
Intercept	,000	,869
V24_Age	**,000**	**,252**
V25_Country	**,025**	**,013**
V24_Age * V25_Country	**,000**	,066

Table 5.4 ANOVA test for loyalty/age/country of residence.

When looking at means for particular age and country combination, following results were revealed (Table 5.5).

Results in mean scores from the Generation Y indicate that Millennials in the Czech Republic are significantly more beer brand loyal than British Generation Y. In terms of Generation X, scores have shown that both British and Czech Gen Xers are highly brand loyal, however, Britons display slightly more loyal behaviour that Czechs in the same stage of age.

Age group	**Mean scores**	
	Czech Republic	**UK**
Young Generation Y	M=4,22	M=3,40
Older Generation Y	M=4,33	M=2,48
Young Generation X	M=5,07	M=5,81
Older Generation X	M=5,65	M=5,94

Table 5.5 Mean scores for brand loyalty in both countries.

Moreover, it was found that the differences are not only between generations and between countries, but also within countries, specifically within the UK. Figure 5.5 displays very significant difference in brand loyalty across countries. While the way Czechs feel brand loyal gets slowly stronger with time, in the UK two strongly distinct groups evolved.

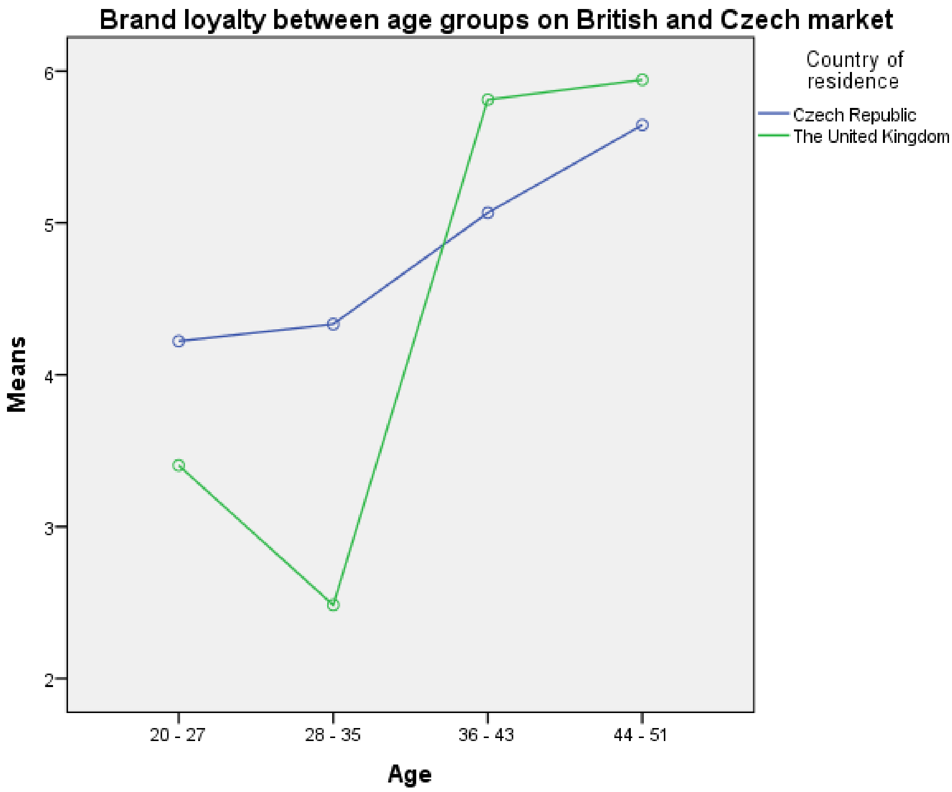

Figure 5.5 Brand loyalty between age groups on British and Czech market.

In order to explore the origin of such striking difference between British Generation X and Y, the author investigated British data more deeply and then compared them with Czech data to see the difference. Initially, categorical variable such as frequency of consumption or most often place of consumption were tested, however, these turned out not to be influencing. Then, using Pearson product-moment correlation, following attitude questions were examined: (1) "If I don't find my favourite brand in a store, I buy a different one.", (2) "I like trying new types of beer.", (3) "I like trying new brands of beer.", (4) "I am rather conservative when selecting a beer brand, I choose experienced brands.".

It was found that British respondents are much more intense in their behaviour (see Table 5.6 and Table 5.7). In the Czech Republic the expressed probability of other brand purchase in case of unavailability of a favourite brand was shown to be in very mild strength negative relationship with age (r= -.169), indicating the higher the willingness to buy different brand, the lower the age. However, due to low strength it is very balanced, which explains the slow gradual timing effect. In the UK, the relationship is medium to large strength (r= -.350), indicating great difference and therefore causing the gap. It shows that young British people do not have any problem buying different brand in store in case of unavailability of their favourite one, but older people would strongly hesitate.

Correlations for the UK

		Age
Unavailability of brand	Pearson Correlation	**-,350**
	Sig. (2-tailed)	,000
	N	192
New types of beer	Pearson Correlation	**-,592**
	Sig. (2-tailed)	,000
	N	191
New brands of beer	Pearson Correlation	**-,617**
	Sig. (2-tailed)	,000
	N	192
Conservative approach	Pearson Correlation	**,581**
	Sig. (2-tailed)	,000
	N	192
Age	Pearson Correlation	1
	N	197

Table 5.6 UK and influential factors.

Correlations for the Czech Republic

		Age
Unavailability of brand	Pearson Correlation	**-,169**
	Sig. (2-tailed)	,013
	N	216
New types of beer	Pearson Correlation	**-,162**
	Sig. (2-tailed)	,020
	N	207
New brands of beer	Pearson Correlation	**-,049**
	Sig. (2-tailed)	,482
	N	212
Conservative approach	Pearson Correlation	**,210**
	Sig. (2-tailed)	,002
	N	216
Age	Pearson Correlation	1
	N	232

Table 5.7 Czech Republic and influential factors.

Next, the attitude toward new beer types' and brands' trial was investigated and similarly has shown considerably higher intensity of British respondents in their behaviour compared to Czechs. Negative correlation was revealed indicating higher likeliness to try new types and brands of beer associated with lower age. In the Czech Republic, r= -.162 and r= -.049 respectively display very low strength relationship, in the UK r= -.592 and r= -.617 indicate vice versa very large strength relationship. This means that Czechs though try new types and brands of beer less often with higher age, the intensity is low, indicating no extreme differences between both age groups. In contrast, older Britons seem to be very stable in their choices and if proven type or brand were not in store, they would likely not to think of buying different one. Younger Britons would, vice versa, very likely buy different type or brand, regardless taking into account their favourite. Thus, these characteristics contribute to the big gap within British age groups.

Similar situation occurred when looking at the third attitude question suggesting conservative approach in beer brand selection. Correlation proved positive relationships between variables, i.e. higher age is associated with greater level of conservativism. In the Czech Republic again rather mild relationship was shown with r=.210, in the UK very strong relationship occurred with r=.581. Thus, Britons become significantly more conservative with increasing age than Czechs, concurrently young Britons are more open-minded and have very little to do with traditionalism compared to Czechs. These results also appear to be one of the triggers causing such difference within British generations.

Hypothesis 2 was partly rejected due to following reasons: though Czech Millennials expressed higher loyalty than British, Czech Generation X is less brand loyal than British.

5.4.2 Brand loyalty versus Gender

In order to test the null hypothesis assuming no significant difference between genders' loyalty, one way between groups ANOVA test was made. There was no statistically significant difference at p=.05 level as Sig=.153 (see Table 5.8). This result indicates that Group 1 (males, M=4,75) and Group 2 (females, M=4,48) of examined generations do not differ in how they feel loyal toward beer brand, however, as mean score is slightly higher in Group 1, males tend to be more loyal than females. This is assumed to be caused by more frequent beer consumption.

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7,308	1	7,308	2,052	**,153**
Within Groups	1431,749	402	3,562		
Total	1439,057	403			

Table 5.8 ANOVA test for gender/loyalty.

5.4.3 Brand loyalty versus Income

Next, income and its impact on brand loyalty toward beer brand was examined, with null hypothesis assuming existing influence of income on loyalty. The relationship was investigated using Pearson product-moment correlation, which has shown positive, but mild strength relationship (r=.102) indicating higher income associated with higher loyalty (Table 5.9).

Correlations

		Annual income
Perception of loyalty	Pearson Correlation	**,102**
	Sig. (2-tailed)	,161
	N	190
Annual income	Pearson Correlation	1
	Sig. (2-tailed)	
	N	197

Table 5.9 Relationship loyalty/income

Therefore, it may be assumed that people with better financial situation tend to stick to their proven brands more that those having lower annual income. This is likely to be caused by the fact that more wealthy people favour specific products/brands and are not price sensitive. Thus, once they get to like concrete beer brand, they are likely to stick to it regardless price changes. Furthermore, people with higher income are often exclusive customers and tend to participate in loyalty programs, which again makes them stick to particular brand.

5.4.4 Brand loyalty versus Education

With null hypothesis assuming existing relationship between education and loyalty, positive correlation with r=.112 was found, indicating that with increasing level of education increases also the brand loyalty (Table 5.10).

Correlations

		Education
Perception of loyalty	Pearson Correlation	**,112***
	Sig. (2-tailed)	,024
	N	404
Education	Pearson Correlation	1
	Sig. (2-tailed)	
	N	429

*. Correlation is significant at the 0.05 level (2-tailed).

Table 5.10 Relationship loyalty/education

Thus, the level of qualification positively affects loyalty. The relationship is closely connected to income as usually the higher the education, the higher the income and consequently higher loyalty.

5.5 Brand switching

Both generations differ also in terms of switching rate. While Generation Y display high level as vast majority of respondents claim to have no preference and switch several beer brands (30 % and 43 % respectively). Only 4 % of Gen Yers drink only one favourite brand. In contrast, majority of post boomers consume only one preferable brand or sometimes drink different, but prefer the proven one (23 % and 35 % respectively). Considerable number of Generation X switch between two or three brands (38 %). Small percentage (4 %) of Gen Xers claim to have no preference (see Figure 5.6).

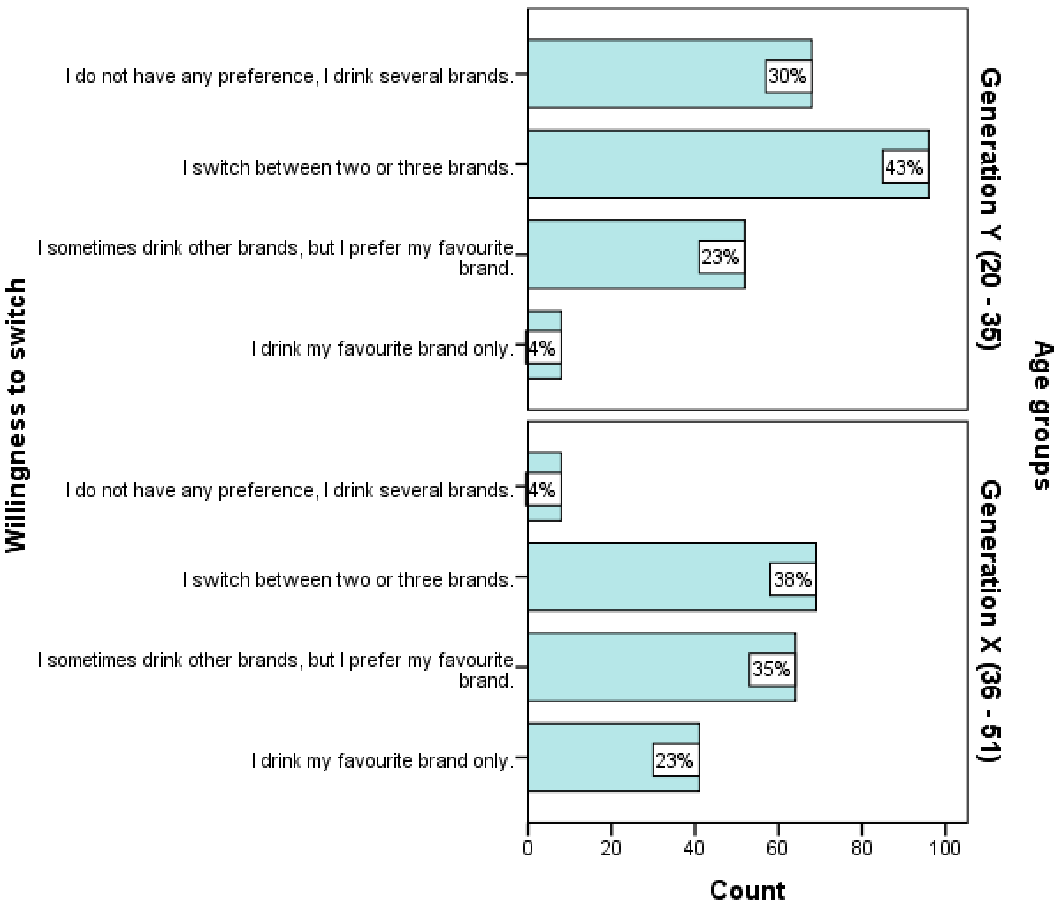

Figure 5.6 Willingness to switch.

5.5.1 *Influential factors*

In order to find out what are the factors which encourage the brand loyalty across both countries and generations, respondents were asked to state reason for brand switching (see Figure 5.7). The results from the Czech Republic have shown that for Millennials the trigger for new brand trial is change in quality (taste) of beer (47 %) or unavailability of a certain brand (30 %). Gen Xers would choose different brand for similar reasons, however, certain number of older Gen Xers would not change the brand in any circumstances (9 %). Advertising for a rival brand is not a reason to switch for older generation, Millennials attributed 2 % of importance to advertising. Results from Czech market more or less correspond with what Howaniec (2012) found, i.e. brand loyalty is driven mainly by high quality of product, advertising and brand image are the least important factors. British Millennials are similarly willing to switch beer brand due to change in quality (taste) (29 %), unavailability of certain brand (33 %) and also advertising plays more important role

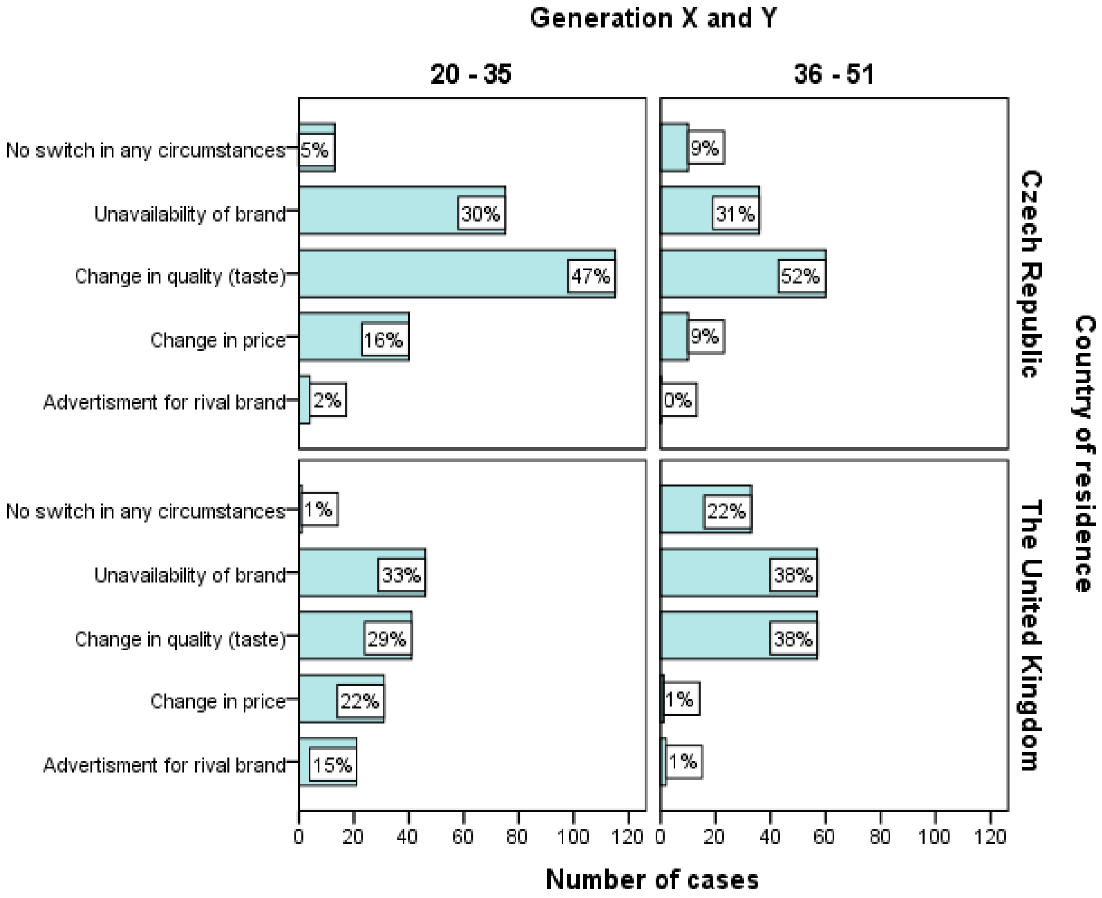

Figure 5.7 Reasons for Brand Switching according to the Country.

(15 %). Gen Xers would switch beer brand due to similar reasons, however, advertising represents only 1 % of importance. Significant percentage of Generation X would not change brand in any circumstances (22 %). This is a huge difference compared to Czech Gen Xers', who would not ever switch the brand from only 9 %. Results from the UK goes against Orr's (2014) research which indicated that for Britons advertising is more important aspect than taste, however, according to this study it is not what the customer is driven by. Findings partly correspond with Geraghty's (2007) research, which has shown no effect of advertising on brand loyalty. Though advertising does not affect Generation X, it has certain impact on Millennials, in particular British. While Czech Gen Yers find determining mainly quality of beer rather than advertising, British Millennials consider advertising a bit more important. Advertising these days is dynamic, keeps improving in terms of attractiveness, originality and is getting catchier and more influential. On the other hand, quality and taste of beer tend to remain stable; it is one of the main goals to

offer consistent product quality without undesirable deterioration. Therefore, people who decide according to advertising, are likely to be very volatile in their choices and consequently loyalty. In contrast, those who prefer good quality to brand image, tend to stay more loyal. This appears to be a reason why Czech Millennials are more brand loyal than British.

The reason why British Generation X turned out to be more brand loyal than Czech one might lie in the differences in terms of general unwillingness to switch; while only 9 % of Czechs would not change the brand in any circumstances, Britons would stick to their only brand from 22 %. Therefore, stronger devotion to preferable brands by Britons makes them more loyal than their counterparts.

5.6 Place of consumption

Based on Murray (2009), which has shown that beer drinkers' loyalty increases when they drink socially while in-home drinking is linked to lower levels of loyalty, the author decided to test whether the brand loyalty on examined markets differ in distinct places of consumption using one way between groups ANOVA.

Initially, British market was investigated. As the significance at p=.05 is .813, it means that there are no statistically significant differences in examined variables. Mean scores in particular places of consumption were very similar, i.e. restaurant or pub (M=4,51), home (M=4,54), party (M=4,87), sport match (M=4,43) and concert (M=4,89), which indicates that none of these groups significantly differ from another. Therefore it can be assumed that the brand loyalty does not differ in various place of beer consumption among British respondents (Table 5.11). Britons seem to be consistent in brand preferences and place of beer consumption do not influence the brand they drink, which goes against Murray's study (2009).

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5,784	4	1,446	,394	**,813**
Within Groups	679,169	185	3,671		
Total	684,953	189			

Table 5.11 ANOVA test for brand loyalty in different places of consumption in the UK.

Secondly, Czech market was examined, where the situation turned out a bit different. One way between groups ANOVA test was made and has shown existence of statistically significant differences among variables due to significance p=.000<.05. This indicates that brand loyalty differs in different places of consumption (Table 5.12).

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	92,417	4	23,104	7,328	**,000**
Within Groups	662,066	210	3,153		
Total	754,484	214			

Table 5.12 ANOVA test for brand loyalty in different places of consumption in the Czech Republic.

Mean scores for particular places were as follows: restaurant or bar (M=4,27), home (M=5,44), party (M=4,11), sport match (M=4,00) and concert (M=2,67). Based on mean scores, significant difference in beer brand loyalty is between restaurant or bar and home, i.e. Czech respondents are more loyal when in-home drinking than socially. This is assumed to be caused by limited offer in restaurant or bar, where consumer simply cannot find favourite brand; 30 % of Czech respondents state the reason for brand switching unavailability of a certain brand. Whereas when drinking at home, consumer may purchase whatever brand he likes and is not limited by restaurants' offer. Moreover, as Czech consumers attributed importance to friends' opinion, they might give up their favourite brand in favour of friends' favourite only to not become the odd one out.

6 Recommendations

In this section, the author attempts to recommend what course of actions to take in order to encourage the customer loyalty. Both generations attributed importance to taste and acquaintances' opinion and Millennials find important also advertising. The author would recommend the marketing efforts in terms of retaining customers to concentrate on keeping the quality (taste) of beer on desired and consistent level across all countries in which the brewery operates, without deterioration. This argument is supported by what the results of reasons for switching the brand say, both cohorts would give up their favourite brand in favour of different one because of change in quality (taste) of beer (as shown in Figure 5.7). Another reason to switch the brand is unavailability of a certain brand. With regards to this, the author would recommend the breweries to make sure that their brand is largely available in both, off-trade (supermarkets etc.) and on-trade (restaurants, bars etc.) distribution channels so that as many people as possible have a chance to purchase it and are not forced to choose different available brand.

Additionally, results showed that Millennials are influenced to a certain extent by marketing activities and advertising (see Figure 5.7). Moreover, for some it is a reason to switch the brand, which speaks volume about how little loyal Gen Yers are. Consequently, to keep Millennials loyal seems to be much harder task than with their older counterparts. Therefore, consistent taste and availability does not seem to be sufficient to retain these customers. Millennials are more active on the internet and social media rather than television, newspapers and similar media. Also, these customers require the firms to communicate with them, to engage in dialog. Social media is therefore very convenient environment where to attract and engage with Generation Y customers and encourage and evoke in them potential loyalty. The author recommends the breweries to be strongly active on social media if intending to build loyal customer base of Generation Y as this might be the right way. The brewery can enter into cooperation with selected restaurants and pubs and encourage the customers to for example take a photo of themselves with a pint of certain brand. Customers then share the photo on social media website of particular bar, for which they will be rewarded with free pint of the same brand beer.

Respondents in both countries admitted certain dependence of their beer brand choice on acquaintances' opinion, i.e. family and friends (as shown in Figure 5.3). Additionally, beer is a beverage which is most often drunk socially. Current trend in beer advertising follows themes such as group of people, friendships, solidarity or emphasis on taste. Firms are advised to try to follow these, especially in terms of solidarity and relationships theme as it prompts what people usually associate with drinking beer. This is connected with the above mentioned marketing activities on social media, where group of friends is assumed to play important role.

The author also considered the option of loyalty programmes as a mean of keeping customers loyal. Brewery may have two types of loyalty programmes, i.e. one engaging with end customers and the other with intermediaries such as restaurants, bars, pubs etc. As this research was focusing on end customers' buying experience and loyalty, programmes earmarked for intermediaries will not be discussed in recommendations.

Firms may organize variety of competitions and promo events where customers engage with a brewery and brand. Giving an example, brewery may form a partnership with management of some sport event and may offer winning codes in their products. Consequently, customers who purchase a pint of particular brand have a chance to win tickets and have free entry to particular sport event, or other interesting prizes. These marketing activities not only help to retain existing loyal customers, but also support sales and work for attracting new ones.

Moreover, the firm may cooperate with selected pubs and restaurants and get even closer to customers. There is an option of so-called leader board, which may evoke competitiveness in people; the position of customer on the board increases with the number of purchased beers of selected beer brand. It may also prompt pride of being the one who is loyal the most to a certain brand and encourage others to attempt to do so too. There is a link to beer being "social beverage" drunk mainly within group of friends or family. These are important sources of information for beer drinkers. So once they can engage with friends or family while drinking favourite beer, they are likely to feel comfortable without any need to switch brands.

With regards to the future research, marketers may find useful to examine the brand loyalty across more industries and with more cohorts in order to gain broader picture. Moreover, it would be worth investigating the triggers which evoke brand loyalty among Millennials as they turned out not to be much brand loyal in general. Once factors which makes Gen Yers loyal are well known to companies, their base of loyal customer would get larger. Additionally, UK market could be explored in more detail in terms of differences in loyalty between generations as two completely distinct groups occurred in contrast with Czech market where timing effect is evident in loyalty development.

7 Conclusion

The aim of this paper was to investigate manners of consumer behaviour exhibited by two examined age groups, Generation X and Y in terms of brand loyalty. Beer market was chosen as a ground to conduct the research. The study focused on analysis of potential differences regarding the brand loyalty towards beer brands across distinct age groups and investigated the impact of consumer's country of residence on brand loyalty. Pursuant insights obtained from reviewing the literature, 2 hypothesis were concluded. These are

- Generation X will show higher level of loyalty than Millennials.
- Brand loyalty in the Czech Republic will be greater than in the UK within both examined age groups.

In order to either prove or disprove state objections, primary data was collected and revealed some interesting findings.

First tested hypothesis has shown significant difference in brand loyalty between Generation X and Millennials. Gen Xers do not tend to switch between beer brands, display conservative attitude in beer consumption and once they favour particular brand, they stick to it. In contrast, Millennials enjoy to alternate several beer brands and like trying new ones. When it comes to willingness to switch between brands, younger people display higher level than older. Furthermore, it was found that males display slightly higher loyalty toward beers than women, which is assumed to be caused by the fact that males expressed higher frequency of consumption than females. Finally, income and education turned out to be moderately strong influential factors on brand loyalty; participants with better financial situation and higher qualifications also expressed higher level of loyalty. This is assumed to be triggered by specific preferences rich people have and stick to regardless price changes. Also, wealthy people are usually exclusive customers with loyalty programmes memberships.

Second hypothesis revealed some differences in brand loyalty across both countries. Czech Millennials expressed higher loyalty than British ones, in contrast British Generation X was more loyal than Czech one. Also, while Czechs develop brand loyalty slowly gradually with age and timing effect is evident, within British generations large gap occurred. This turned out to be influenced by attitude toward several situations (new beer types and brands trials, purchase of different brand in case of unavailability of favourite one and conservative attitude in beer brand selection), where Britons appeared to be highly intense compared to Czechs. Both British generations adopted an extreme stance in all four statements, i.e. Millennials would very likely try new beer types and brands, Gen Xers not at all. In contrast, Generation X has very conservative attitude and very likely would not buy a different brand, Millennials are not conservative at all and would not hesitate to switch their favourite brand in case of its unavailability. These differences are also assumed to cause higher stickiness of British Gen Xers participants to proven brands compared to Czech ones.

The most determining factor of loyalty on both markets within both generations is quality (taste) of beer. The role of advertising was considered to cause the difference in loyalty between Czech and British Millennials, as British turned out to be more influenced by advertising than Czechs. Analysis has also shown, despite of previous research in this area, that Britons' beer brand loyalty does not differ in different places of consumption. On the contrary, Czech people displayed higher level of loyalty when consuming at home in comparison with restaurants or bars.

Reference list

Aaker, D. A. (1992). *The value of brand equity*. Journal of Business Strategy, 13(4), 27-32. doi:10.1108/eb039503

Aaker, D. A., & Joachimsthaler, E. (2002). *Brand leadership*. London: Free.

ACSI. (2014). *Customer Satisfaction with Household Products Falls as Prices Rise*. Retrieved from https://www.theacsi.org/news-and-resources/press-releases/press-2014/press-release-nondurable-products-2014.

AB InBev. (2015a). *Global Brands*. Retrieved from http://www.ab-inbev.co.uk/brands/global-beer-brands/.

AB InBev. (2015b). *Multi-country Brands*. Retrieved from http://www.ab-inbev.co.uk/brands/multi-country-beer-brands/.

AB InBev. (2015c). *Local Champions*. Retrieved from http://www.ab-inbev.co.uk/brands/local-beer-champions/.

Allison, R. I., & Uhl, K. P. (1964). *Influence of beer brand identification on taste perception*. Journal of Marketing Research, 1(3), 36-39.

Almenberg, J., Dreber, A., & Goldstein, R. (2014). *Hide the label, hide the difference?*. Retrieved from http://www.wine-economics.org/aawe/wp-content/uploads/2014/08/AAWE_WP165.pdf.

Anheuser-Busch InBev. (2014). *Annual Report 2014*. Leuven: Anheuser-Busch InBev

Appleby, S. (2015). *The real craft of customer loyalty*. Retrieved from http://www.betterretailing.com/customer-loyalty-alcohol-range/.

B. Valentine, D., & L. Powers, T. (2013). *Generation Y values and lifestyle segments*. Journal of Consumer Marketing, 30(7), 597-606. doi:10.1108/JCM-07-2013-0650

Barrow, P. (1994). *Marketing to generation X*. Canadian Manager, *19*(1), 23.

Bawany, A. (2014). *Generation Y*. Leadership Excellence, *31*(8), 6-7.

Blackwell, R. D., Miniard, P. W., & Engel, J. F. (2001). *Consumer behavior*. Ft. Worth, Tex: Harcourt College Publishers.

Blythe, J. (2013). *Consumer behaviour*. Retrieved from http://www.sagepub.com/upm-data/61706_Blythe_ch1.pdf.

Brand Keys. (2013). *BRAND KEYS 2013 CUSTOMER LOYALTY INDEX*. New York: Brand Keys. Retrieved from http://brandkeys.com/wp-content/uploads/2013/02/2013-CLEI-Press-Release-FINAL-Overall.pdf

Brand Keys. (2014). *BRAND KEYS 2014 CUSTOMER LOYALTY INDEX*. New York: Brand Keys. Retrieved from http://brandkeys.com/wp-content/uploads/2014/02/2014-CLEI-PRESS-RELEASE-FINALFeb1-public.pdf

Brand Keys. (2015). *BRAND KEYS 2015 CUSTOMER LOYALTY INDEX*. New York: Brand Keys. Retrieved from http://brandkeys.com/wp-content/uploads/2015/02/2015-CLEI-PRESS-RELEASE-FINALv2Feb17-public.pdf

Brewing and Beverage Industry International. (2013). *The International Beverage Market*.

Budějovický Budvar. (2015a). *Značky*. Retrieved from http://www.budejovickybudvar.cz/o-spolecnosti/znacky/budweiser-budvar.html.

Budějovický Budvar. (2015b). *Carlsberg*. Retrieved from http://www.budejovickybudvar.cz/produkty/sortiment/carlsberg.html.

Butler, P. (2012). *Generation Y Influence Peaking According to Edelman Study*. Retrieved from http://www.searchenginejournal.com/generation-y-influence/53745/.

Carlsberg Group. (2015a). *1915 - 2000: Exporting and Expanding*. Retrieved from http://www.carlsberggroup.com/Company/heritage/Pages/GlobalBrewer.aspx.

Carlsberg Group. (2015b). *2001 - today: Global brewer*. Retrieved from http://www.carlsberggroup.com/Company/heritage/Pages/GlobalBrewer.aspx.

Carlsberg Group. (2015c). *Our Brands*. Retrieved from http://www.carlsberggroup.com/brands/Pages/default.aspx.

Cioletti, J. (2013). *Beer Chiefs: Brand Building Key to Growth*. Retrieved from http://www.beverageworld.com/articles/full/15983/beer-chiefs-brand-building-key-to-growth.

Crampton, S. M., & Hodge, J. W. (2009). *Generation Y: Unchartered territory*. Journal of Business & Economics Research, 7(4), 1-6.

Crecca, D.H. (2013). *Adult Beverages: Brand Loyalty in the Millennial Age*. Retrieved from https://blogs.technomic.com/adult-beverages-brand-loyalty-in-the-millennial-age/.

Crecca, D.H. (2015). *Questioning Their Loyalty*. Retrieved from https://blogs.technomic.com/questioning-their-loyalty/.

Crosariol, B. (2014). *When it comes to beer, megabrand loyalty is going the way of the stubby*. Retrieved from http://www.theglobeandmail.com/life/food-and-wine/wine/when-it-comes-to-beer-megabrand-loyalty-going-way-of-the-stubby/article16209931/.

ČSÚ. (2013). *Spotřeba potravin 2013*. Retrieved from http://www.czso.cz/csu/2014edicniplan.nsf/t/9E0033FB39/$File/2701391402.pdf.

Dahlén, M., Rosengren, S. (2005). *Brands affect slogans affect brands? Competitive interference, brand equity and the brand-slogan link*. Journal of Brand Management, 12(3), 151-164. doi:10.1057/palgrave.bm.2540212

Economics online. (2015). *The brewing industry*. Retrieved from http://www.economicsonline.co.uk/Business_economics/Brewing.html.

Ehret, J. (2011). *Marketing to Generation X*. Retrieved from http://themarketingspot.com/2011/06/marketing-to-generation-x.html.

Esteve-Pérez, S. (2012; 2010). *Consolidation by merger: The UK beer market*. Small Business Economics, 39(1), 207-229. doi:10.1007/s11187-010-9295-2

Evans, G. (2008). *Marketing to generation Y.* Furniture Today*, 32*(38), 14-n/a. Retrieved from http://search.proquest.com/docview/235488382?accountid=11526

Fallon, N. (2014). *Marketing to Millennials: How to Capture Gen Y Consumers*. Retrieved from http://www.businessnewsdaily.com/6602-selling-to-generation-y.html.

Fay, W. B. (1993). *Understanding "generation X"*. Chicago: American Marketing Association.

Geraghty, L. (2007). *Assessing brand loyalty in the Irish alcohol industry* (Master Thesis). Retreived from http://www.drugsandalcohol.ie/4541/#

Giddens, N. (2013). *Brand Loyalty*. Retrieved from http://www.extension.iastate.edu/agdm/wholefarm/html/c5-54.html.

Greenberg, K. (2011). *Study: Gens X, Y Rely On Research, Less On Loyalty*. Retrieved from http://www.mediapost.com/publications/article/144338/.

Gurău, C. (2012). *A life-stage analysis of consumer loyalty profile: Comparing generation X and millennial consumers*. The Journal of Consumer Marketing, 29(2), 103-113. doi:10.1108/07363761211206357

Han, E. (2015). *Consumer tribes – how Gen Y, X, baby boomers shop and respond to brand marketing*. Retrieved from http://www.smh.com.au/national/consumer-tribes--how-gen-y-x-baby-boomers-shop-and-respond-to-brand-marketing-20150314-141tgp.html.

Heineken. (2013). *HEINEKEN UK: Sustainability Report 2013*. Retrieved from http://www.theheinekencompany.com/brands/regional-and-local-brands/western-europe#view=markets®ion=1.

Heineken. (2015a). *Key brands in United Kingdom*. Retrieved from http://www.theheinekencompany.com/brands/regional-and-local-brands/western-europe#view=markets®ion=1.

Heineken. (2015b). *Značky skupiny Heineken*. Retrieved from http://www.heinekenceskarepublika.cz/starobrno.

Henseler, C.h. (2012). *Generation X goes global: Mapping a youth culture in motion.* Retrieved from http://www.generationxgoesglobal.com/index.html.

Hildebrandt, S. (2011). *Marketing through the generations*. New York: BNP Media.

Hospodářské noviny. (2014). *Dánský gigant Carlsberg kupuje Žatecký pivovar. Chuť se dle smlouvy měnit nemá*. Retrieved from http://byznys.ihned.cz/c1-61965380-dansky-gigant-carlsberg-kupuje-zatecky-pivovar-chut-se-dle-smlouvy-menit-nema.

Howaniec, H. (2012). *The modeling of Brand Loyalty in the Brewing Market in Poland*. Retrieved from http://www.researchgate.net/publication/266143694_The_modeling_of_Brand_Loyalty_in_the_Brewing_Market_in_Poland.

Jennings, L. (2012). *Generation X.* Nation's Restaurant News, 46(9), 36.

Johnson, M. & Johnson, L. (2011). *Generation Y Buys What Their Friends Influence Them to Buy*. Retrieved from http://www.huffingtonpost.com/meagan-johnson-and-larry-johnson/generation-y-buys-what-th_b_830518.html.

Kardes, F. R. (1999). *Consumer behavior and managerial decision making*. Harlow; Reading, Mass: Addison-Wesley.

Karrenbrock, J. D. (1990). *The internationalization of the beer brewing industry*. Review, 72(6), 3-19.

Keene, D.L. & Handrich, R.R. (2011). *Generation X members are "active, balanced and happy". Seriously?*. Retrieved from http://www.thejuryexpert.com/2011/11/gen-x-members-are-active-balanced-and-happy/.

Kotler, P., & Keller, K. L. (2012). *Marketing management*: Philip Kotler, Kevin Lane Keller. Boston, [Mass.]; London: Pearson.

Kristinsdóttir , T. (2010). *Analysis of influential factors on brand loyalty towards cigarette brands on the Icelandic market* (Master Thesis). Århus School of Business, Aarhus.

Lamb, R. (2011). *Brand loyalty highest in Gen X consumers: eMarketer*. Retrieved from http://www.luxurydaily.com/brand-loyalty-highest-in-gen-x-consumers-emarketer/.

Larimo, J., Marinov, M., & Marinova, S. (2006). *The Central and Eastern European brewing industry since 1990*. British Food Journal, 108(5), 371-384. doi:10.1108/00070700610661349

Linstead, S. (1989). *Competitive strategy and collection action in the UK brewing industry: The growth and decline of the working men's club*. Management Research News, 12(4/5), 40-55. doi:10.1108/eb028047

Madsen, E.S., Pedersen, K., & Lund-Thomsen, L. (2012). Effects of the M&A Wave in the Global Brewing Industry 2000-2010. *The German Journal of Agricultural Economics, 61* (4), 235-234. Retrieved from http://www.gjae-online.de/news/pdfstamps/freeoutputs/GJAE-687_2012.pdf.

Malik, M.E., Ghafoor, M.M., & Iqbal, H.K. (2013). *Importance of Brand Awareness and Brand Loyalty in assessing Purchase Intentions of Consumer. International.* Journal of Business and Social Science . 4 (5), 167-171.

MarketingCharts. (2010). *Alcohol Consumers Stay Brand Loyal*. Retrieved from http://www.marketingcharts.com/traditional/alcohol-consumers-stay-brand-loyal-13648/.

Maylor, H., & Blackmon, K. L. (2005). *Researching business and management*. Basingstoke: Palgrave Macmillan.

McDevitt, D. (2013). *What makes a brand appeal to Generation Y?*. Retrieved from http://www.marketingmagazine.co.uk/article/1211416/makes-brand-appeal-generation-y.

MillerBrands. (2014). *Our full range*. Retrieved from http://www.millerbrands.co.uk/our-beers.

MillerCoors LLC. (2015). *Our brands*. Retrieved from http://www.millercoors.com/our-beers/great-beer.aspx.

Miller, J.D. (2011). *Active, Balanced, and Happy: These young Americans are not bowling alone*. Retrieved from http://lsay.org/GenX_Rept_Iss1.pdf.

Ministry of Foreign Affairs of the Czech Republic. (2015). *Česko - země piva*. Retrieved from http://www.czech.cz/cz/Podnikani/Firmy-v-CR/Cesko-%E2%80%93-zeme-piva.

Mitchell, M. A., McLean, P., & Turner, G. B. (2005*). Understanding Generation X... Boom or Bust Introduction*. Business Forum, *27*(1), 26-30.

MolsonCoors. (2015). *Our brands*. Retrieved from http://www.molsoncoors.com/en/Brands/Signature%20Brands.aspx.

Moore, M. (2009). *Does brand image or taste have more influence on consumer preference for energy drinks?* Retrieved from http://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1004&context=honors_marketing.

Murray, P. (2009). *Alcohol Brand Loyalty: It's not only what you drink, but also where you drink it*. Retrieved from http://blog.nemsmr.co.uk/post/Alcohol-Brand-Loyalty-Its-not-only-what-you-you-drink-but-also-where-you-drink-it.aspx.

Muskat, M., Muskat, B., Zehrer, A., & Johns, R. (2013). *Generation Y: Evaluating services experiences through mobile ethnography*. Tourism Review, 68(3), 55-71. doi:10.1108/TR-02-2013-0007

Nahai, N. (2013). *5 Things You Need To Know About Marketing To Gen Y*. Retrieved from https://www.psychologytoday.com/blog/webs-influence/201305/5-things-you-need-know-about-marketing-gen-y.

Nason, A. (2012). *American Customer Satisfaction Index for beer relatively unchanged from a year ago*. Retrieved from http://beerpulse.com/2012/10/american-customer-satisfaction-index-for-beer-relatively-unchanged-from-a-year-ago/.

Neuborne, E., & Kerwin, K. (1999). *Generation Y. (cover story). Businessweek*, (3616), 80-88.

Ngo Hoang, T. Q. O. (2012). *Determinants of brand loyalty in the Vietnamese beer industry* (Master Thesis). Retreived from http://www.isb.edu.vn/ISBResearch.aspx?page=1¶m=11

Oliver, R. L. (1997). *Satisfaction: A behavioral perspective on the consumer*. New York: McGraw Hill.

Oliver, R. L. (1999). *Whence consumer loyalty?* Journal of Marketing, 63, 33-44

Orr, G. (2014). *UK's three leading lagers - Budvar, Heineken and Stella Artois - are indistinguishable, according to blind taste tests*. Retrieved from http://www.independent.co.uk/life-style/food-and-drink/features/uks-three-leading-lagers--budvar-heineken-and-stella-artois--are-indistinguishable-according-to-blind-taste-tests-9667567.html.

Ostermiller, M. (1997). *Talkin' about generation X*. Best's Review / Life-Health Insurance Edition, *97*(10), 341.

Patria Online. (2014). *SABMiller, vlastník Prazdroje, počítá v Evropě se zlepšením*. Retrieved from http://www.patria.cz/zpravodajstvi/2562517/sabmiller-vlastnik-prazdroje-pocita-v-evrope-se-zlepsenim.html.

Pivovary Staropramen. (2015). *Naše značky*. Retrieved from http://www.pivovary-staropramen.cz/cs/o-nas/nase-znacky/.

Plzeňský Prazdroj. (2015). *Přehled značek*. Retrieved from http://www.prazdroj.cz/cz/nase-znacky/prehled-znacek.

Porral, C.C., Bourgault, N., & Dopico, D.C. (2013). *Brewing: the Recipe for Beer Brand Equity*. *European Research Studies, 16* (2), 82-97. Retrieved from http://www.ersj.eu/repec/ers/papers/13_2_p6.pdf.

Reichheld, F.F. (2000). *The Economics of E-Loyalty*. Retrieved from http://hbswk.hbs.edu/archive/1590.html.

Saunders, M., Lewis, P., & Thornhill, A. (2012). *Research methods for business students*. Harlow: Pearson.

Schroer, W.J. (2012). *Generations X,Y, Z and the Others - Cont'd*. Retrieved from http://www.socialmarketing.org/newsletter/features/generation3.htm.

Slade, M. E. (2004). *Market power and joint dominance in U.K. brewing*. The Journal of Industrial Economics, 52(1), 133-163. doi:10.1111/j.0022-1821.2004.00219.x

Solomon, M. R. (2013). *Consumer behavior: Buying, having, and being*. Boston, Mass; London: Pearson Education.

Statista. (2015). *Distribution of on-trade beer sales in the United Kingdom (UK) in 2012, by category*. Retrieved from http://www.statista.com/statistics/297887/market-share-on-trade-beer-sales-in-the-united-kingdom-uk/.

Swinnen, J. F. M. (2011). *The economics of beer*. Oxford: Oxford University Press.

Textart.ru. *Database of slogans. Beer advertising slogans.*. Retrieved from http://www.textart.ru/database/english-advertising-slogans/beer-advertising-slogans.html.

The University of Michigan. (2013). *ACSI Nondurable Products Report 2013*. Michigan: The University of Michigan. Retrieved from http://www.theacsi.org/images/stories/images/reports/13oct_Nondurable-Report.pdf

The University of Michigan. (2014). *ACSI Nondurable Products Report 2014*. Michigan: The University of Michigan. Retrieved from http://theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2014/acsi-nondurable-products-report-2014/acsi-nondurable-products-report-2014-download

Tierney, J. (2013). *Loyalty Program Triggers Starbucks' Record Q2*. Retrieved from http://loyalty360.org/resources/article/loyalty-program-triggers-starbucks-record-q2.

Trijp, H. C. M Van, Hoyer, W. D., & Inman, J. J. (1996). *Why switch? Product category: Level explanations for true variety-seeking behaviour*. Journal of Marketing Research, 33(3), 281-292.

Tulgan, B. (2011). *Generation Y: All grown up and now emerging as new leaders.* Journal of Leadership Studies, 5(3), 77-81. doi:10.1002/jls.20237

Understanding and Marketing to Generation Y. (2000). Convenience Store News, *36*(13), 252.

Van Passel, S. & Wauters, E. (May, 2009). *Vertical agreements: an empirical price analysis of beer.* Research Institute: Centre for Environmental Sciences Environmental Economics. Beeronomics Conference, Leuven, Belgium.

Vignali, C., & Vrontis, D. (2000). *Survey research in the UK beer industry*. British Food Journal, 102(5/6), 371-380. doi:10.1108/00070700010329191

Waterworth, N. (2013). *Generation X, Generation Y, Generation Z, and the Baby Boomers* . Retrieved from http://www.talentedheads.com/2013/04/09/generation-confused/.

Williams, E. (2014). *Generation X Consumer Behavior*. Retrieved from http://yourbusiness.azcentral.com/generation-x-consumer-behavior-9585.html.

Williams, K.C. and Page, R.A. (2011). *Marketing to the generations.* Journal of Behavioral Studies in Business, Vol. 5 No. 1, pp. 1-17.

Woodruffe, C. (2009). *Generation Y*. Training Journal, 31-35.

WHO. (2011). *Global status report on alcohol and health*. Retrieved from http://www.who.int/substance_abuse/publications/global_alcohol_report/msbgsruprofiles.pdf.

Yates, N. (2003). *Bitter tears. Lager rules beer market*. 3 STAR edition. The Daily Mirror

List of Abbreviations

ACSI – American Customer Satisfaction Index

CEE – Central and Eastern Europe

etc. – et cetera

EU – European Union

i.e. – in other words, that is to say

UK – the United Kingdom

USA – the United States of America

VSB-TUO – Vysoká škola báňská-Technická univerzita Ostrava

WHO – World Health Organization

Declaration of Utilisation of Results from a Bachelor Thesis

Herewith I declare that

- I am informed that Act No. 121/2000 Coll. – the Copyright Act, in particular, Section 35 – Utilisation of the Work as a Part of Civil and Religious Ceremonies, as a Part of School Performances and the Utilisation of a School Work – and Section 60 – School Work, fully applies to my bachelor thesis;
- I take account of the VSB – Technical University of Ostrava (hereinafter as VSB-TUO) having the right to utilize the bachelor thesis (under Section 35(3)) unprofitably and for own use ;
- I agree that the bachelor thesis shall be archived in the electronic form in VSB-TUO's Central Library and one copy shall be kept by the supervisor of the bachelor thesis. I agree that the bibliographic information about the bachelor thesis shall be published in VSB-TUO's information system;
- It was agreed that, in case of VSB-TUO's interest, I shall enter into a license agreement with VSB-TUO, granting the authorization to utilize the work in the scope of Section 12(4) of the Copyright Act;
- It was agreed that I may utilize my work, the bachelor thesis or provide a license to utilize it only with the consent of VSB-TUO, which is entitled, in such a case, to claim an adequate contribution from me to cover the cost expended by VSB-TUO for producing the work (up to its real amount).

Ostrava dated 20. 6. 2015

Aneta Teichmannová

....

Aneta Teichmannová

List of Tables

List of Figures

List of Appendices

Appendix A

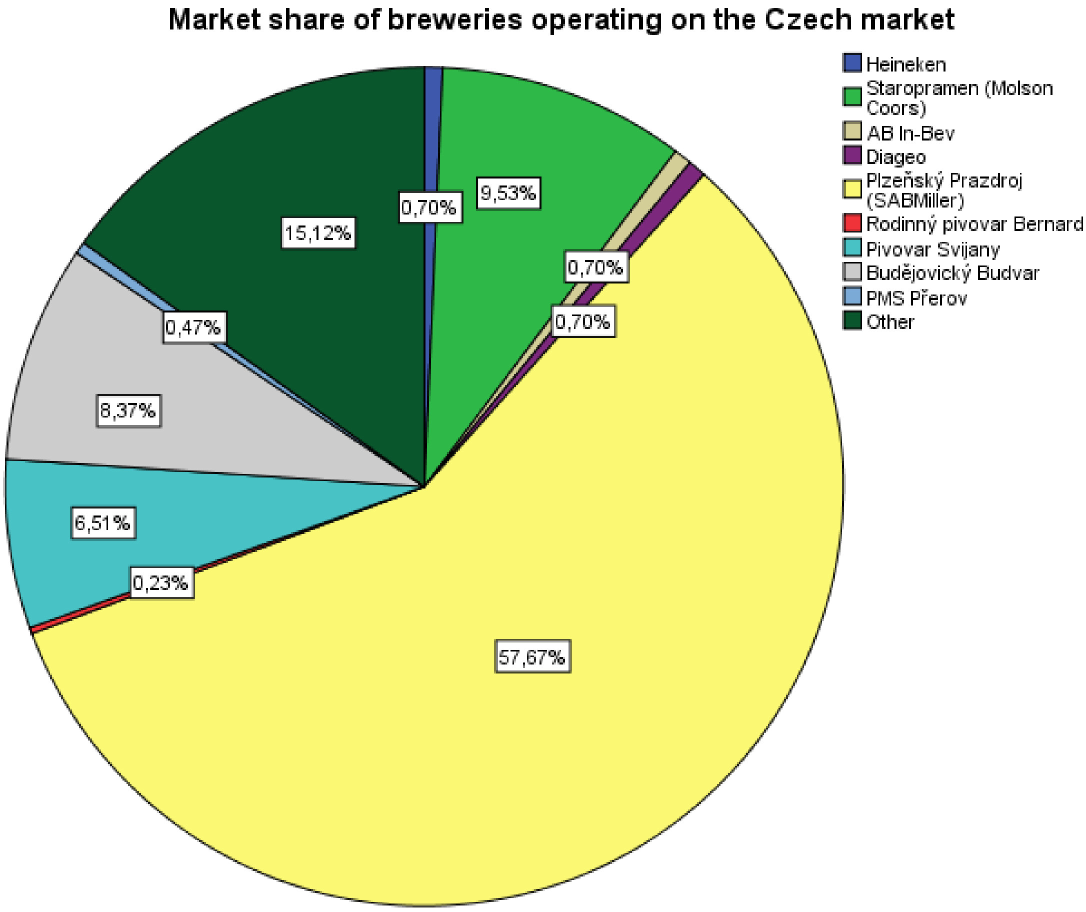

Figure 1: Market share of breweries on the Czech market

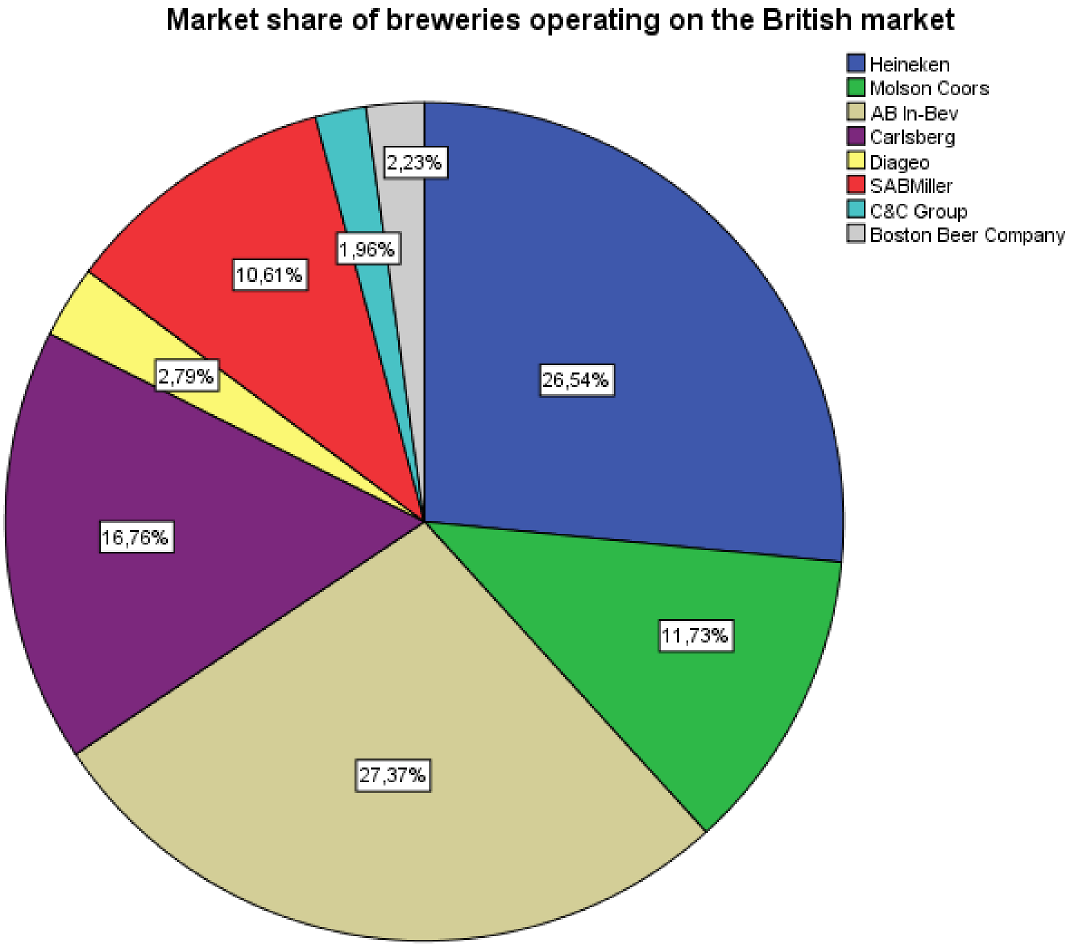

Figure 2: Market share of breweries on the British market

Appendix B

Questionnaire for British market

Dear respondent,
I am a third year student at the University of Huddersfield and currently conducting a research for my dissertation. The aim of this survey is to find out the differences in brand loyalty between British and Czech beer market. I would like to ask you to fill this questionnaire which will help me to collect primary data for analysis. Thank you very much for your time.
Aneta Teichmannova

1. **How often do you drink beer?**
   a. Not at all (if you chose this option, please skip to question 13)
   b. Rarely, a few times per year
   c. Once or twice per month
   d. Once or twice per week
   e. Three to four times per week
   f. Almost every day

2. **Where do you drink beer? Please tick all applicable options.**
   a. At a restaurant or pub
   b. At home
   c. At a party
   d. At a sport match
   e. At a concert
   f. Other, please state
   ……………………………………………………………………………

3. **Where do you drink beer the most often?**
   a. At a restaurant or pub
   b. At home
   c. At a party
   d. At a sport match
   e. At a concert
   f. Other, please state
   ……………………………………………………………………………

4. **Which beer brands do you drink? Please state max. 3 brands which you drink the most often, rated according to your preference.**

   ……………………………………………………………………………

5. **What form do you drink beer in? Please tick all applicable options.**

a. Glass Bottled beer
b. Tinned beer
c. Plastic bottle
d. Draught beer

6. What form do you drink beer in the most often?

a. Bottled beer
b. Tinned beer
c. Plastic bottle
d. Draught beer

7. What type of beer do you drink?

a. Lager
b. Premium
c. Porter, stout
d. Non-alcoholic
e. Wheat
f. Dark, semi-dark
g. Flavoured
h. Other, please state
…………………………………………………………………………

8. What is more important for you when selecting a beer?

a. Price
b. Brand

9. I select a beer brand according to:

a. Favourite brand in my family
b. Friend or acquaintance opinions
c. Advertising
d. Social media
e. Newspaper articles
f. Other, please state
…………………………………………………………………………

10. How would you describe your willingness to switch beer brands?

a. I drink only my favourite beer brand.
b. I sometimes drink different beer, but prefer my favourite brand.
c. I switch between two or three beer brands.
d. I don't have any favourite brand, I often switch between several beer brands.

11. What makes you switch beer brands?

a. Popular advertisement for a rival brand.
b. Price
c. Deterioration of quality (taste)
d. Unavailability of certain brand
e. I would not change my favourite brand.
f. Other, please state
…………………………………………………………………………

12. Rate following statements. (1 – totally agree, 7 – totally disagree)

Statement:	1	2	3	4	5	6	7
I consider myself as brand loyal towards beer brand(s).							
My favourite beer brand is the same as my family members favourite.							
My favourite beer brand is the same as my friend's favourite.							
I would recommend my favourite beer brand to other people.							
If I don't find my favourite brand in a store, I buy a different one.							
Local beer brands are better quality.							
Global beer brands offer universal taste.							
I like trying new types of beer.							
I like trying new brands of beer.							
I am rather conservative when selecting a beer brand, I choose experienced brands.							
My surroundings influence me when selecting a beer brand.							
Quality of a beer depends on its brand.							
Quality of a beer depends on its price.							

13. Are you:

a. Male
b. Female

14. What is your age group?

a. **20 - 27**

b. **28 – 35**
c. **36 – 43**
d. **44 – 51**
e. **52 and over**

15. Your country of residence is:

a. The United Kingdom
b. Czech Republic
c. Other, please state
………………………………………………………………………….

16. What is your highest level of qualification:

a. Primary education
b. Secondary education (GCSE)
c. Secondary education (A-Level)
d. Undergraduate degree
e. Postgraduate qualification
f. Other, please state
………………………………………………………………………….

17. What is your employment status?

a. Student
b. Full Time Employment
c. Part time Employment
d. Unemployed
e. Self-employed
f. Other, please state
………………………………………………………………………….
.

18. Your annual income level is in range:

a. £0 – £9,999
b. £10,000 – £19,999
c. £20,000 – £29,999
d. £30,000 – £39,999
e. £40,000 – £49,999
f. £50,000 and more

Appendix C

Questionnaire for Czech market

Vážený respondente,

jsem studentkou třetího ročníku bakalářského studia na University of Huddersfield a VŠB - TUO. V současné době píši bakalářskou práci, která se zabývá mezigeneračním srovnáním v oblasti věrnosti značce v České Republice a Velké Británii. Níže uvedený dotazník poslouží ke sběru primárních dat, na jejichž základě bude výzkum v rámci bakalářské práce proveden. Cílem výzkumu je zjistit, jak se Generace X (lidé narozeni zhruba v letech 1965 – 1979) liší od Generace Y (1980 – 1995) ve věrnosti značkám, konkrétně na trhu piva. Získané výsledky budou použity k účelům této bakalářské práce. Tímto bych Vás ráda požádala o chvíli Vašeho času a vyplnění dotazníku. Předem mnohokrát děkuji.

Aneta Teichmannová

1. **Jak často pijete pivo?**
    a. Vůbec ne (pokud zvolíte tuto možnost, pokračujte prosím otázkou č. 13)
    b. Párkrát do roka
    c. 1x až 2 x měsíčně
    d. 1x až 2x týdně
    e. 3x až 4x týdně
    f. Téměř každý den

2. **Kde pivo pijete? Zatrhněte všechny platné varianty.**
    a. v restauraci, hospodě
    b. doma
    c. na párty
    d. na sportovním utkání
    e. na koncertě
    f. jiné, prosím uveďte
    ....

3. **Kde pivo pijete nejčastěji?**
    a. v restauraci, hospodě
    b. doma
    c. na party
    d. na sportovním utkání
    e. na koncertě
    f. jiné, prosím uveďte
    ....

4. **Které značky piva pijete? Uveďte maximálně tři značky, které pijete nejčastěji, v pořadí preference.**

....

.

5. **V jaké formě pivo pijete? Zatrhněte všechny platné varianty**
   a. Ze skleněné láhve
   b. Z plechovky
   c. Z PET láhve
   d. Točené

6. **V jaké formě pivo pijete nejčastěji?**
   a. Ze skleněné láhve
   b. Z plechovky
   c. Z PET láhve
   d. Točené

7. **Jaký druh piva pijete?**
   a. Ležáky
   b. Výčepní
   c. Speciální
   d. Portery, stouty
   e. Nealkoholické
   f. Pšeničné
   g. Tmavé, polotmavé
   h. Ochucené
   i. Jiné, prosím uveďte
   ……………………………………………………………………………

8. **Při výběru piva je pro Vás spíše důležitější:**
   a. Cena
   b. Značka piva

9. **Značku piva si vybíráte podle:**
   a. Oblíbené značky v rodině
   b. Názoru přátel, známých
   c. Reklamy
   d. Sociálních médií
   e. Novinových článků
   f. Jiné, prosím uveďte
   ……………………………………………………………………………

10. Jak byste popsali svou ochotu měnit značky piva?

a. Vždy piji jen svou oblíbenou značku piva.
b. Jen občas piji jinou značku piva, než mou oblíbenou.
c. Mám oblíbené dvě až tři značky piva, které střídám.
d. Nemám oblíbené značky piva, značky piv často měním.

11. Z jakých důvodů byste se vzdal své oblíbené značky piva?

a. Populární reklama jiné značky
b. Růst ceny
c. Snížení kvality (chuti) piva
d. Nedostupnost značky
e. Nezměnil/a bych svou oblíbenou značku piva.
f. Jiné, prosím uveďte
…………………………………………………………………………

12. Ohodnoťte následující tvrzení (1 – silně nesouhlasím, 7 – silně souhlasím)

Tvrzení:	1	2	3	4	5	6	7
Považuji se obecně za věrného/ou značce piva.							
Má oblíbená značka piva je stejná, jako u mých rodinných příslušníků.							
Má oblíbená značka piva je stejná jako u mých přátel.							
Svou oblíbenou značku piva doporučuji ostatním lidem.							
Když svou oblíbenou značku v obchodě nenajdu, koupím si jinou.							
Lokální značky piva jsou kvalitnější.							
Globální značky nabízejí univerzální chuť.							
Zkoušet nové druhy piva mě baví.							
Zkoušet nové značky piva mě baví.							
Při výběru značky piva jsem konzervativní a vybírám osvědčené značky.							
Okolí mně ovlivňuje při výběru značky piva.							
Kvalita piva se odvíjí od jeho značky.							
Kvalita piva se odvíjí od jeho ceny.							

13. Jste: (povinná)

a. Muž
b. Žena

14. Do které věkové skupiny patříte?

a. 20 - 27
b. 28 – 35
c. 36 – 43
d. 44 – 51
e. 52 a více

15. Pocházíte z:

a. České Republiky
b. Velké Británie
c. Jiné, prosím uveďte ………………………………………………………………………….

16. Vaše dosažené vzdělání:

a. Základní
b. Vyučen
c. Středoškolské
d. Vysokoškolské

17. Váš sociální status je:

a. Student
b. Zaměstnaný plně duševní práce
c. Zaměstnaný plně manuální práce
d. Zaměstnaný částečně
e. Podnikatel
f. Nezaměstnaný
g. Jiné, prosím uveďte …………………………………………………………….

Appendix D

Frequency of beer consumption

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	16	3,7	3,7	3,7
	Rarely, a few times per year	79	18,4	18,4	22,1
	Once or twice per month	96	22,4	22,4	44,5
	Once or twice per week	114	26,6	26,6	71,1
	Three to four times per week	72	16,8	16,8	87,9
	Almost every day	52	12,1	12,1	100,0
	Total	429	100,0	100,0	

Table 1: Frequency of beer consumption.

Place of consumption

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Restaurant or pub	181	42,2	43,7	43,7
	Home	126	29,4	30,4	74,2
	Party	47	11,0	11,4	85,5
	Sport match	32	7,5	7,7	93,2
	Concert	26	6,1	6,3	99,5
	Festivals	1	,2	,2	99,8
	Trips	1	,2	,2	100,0
	Total	414	96,5	100,0	
Missing	System	15	3,5		
Total		429	100,0		

Table 2: Place of beer consumption.

Form of beer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Glass bottle	107	24,9	26,1	26,1
	Tinned	64	14,9	15,6	41,7
	Plastic bottle	35	8,2	8,5	50,2
	Draught	204	47,6	49,8	100,0
	Total	410	95,6	100,0	
Missing	System	19	4,4		
Total		429	100,0		

Table 3: Form of beer consumption.

British beer brands		
	Frequency	Percent
Krušovice	12	3,22%
Strongbow	12	3,22%
Tennent's	7	1,88%
Leffe	10	2,68%
Grolsh	8	2,14%
Sam Adams	8	2,14%
Somersby	10	2,68%
Others	15	4,02%
Budweiser	11	2,95%
Heineken	20	5,36%
Carling	14	3,75%
Peroni	19	5,09%
Coors	8	2,14%
Carlsberg	26	6,97%
Stella Artois	25	6,70%
Guinness	10	2,68%
Amstel	17	4,56%
Pilsner Urquell	11	2,95%
Corona	18	4,83%
Bud Light	11	2,95%
Beck's	12	3,22%
Foster's	12	3,22%
Kronenbourg	13	3,49%
Blue Moon	11	2,95%
John Smith's	9	2,41%
Tuborg	9	2,41%
Tetley's	15	4,02%
Staropramen	9	2,41%
Hoegaarden	11	2,95%
TOTAL	**373**	**100,00%**

Table 4. Spontaneous awareness of beer brands in the UK.

Czech beer brands		
	Frequency	Percent
Others	65	13,43%
Bernard	10	2,07%
Staropramen	25	5,17%
Guinness	3	0,62%
Svijany	28	5,79%
Radegast	73	15,08%
Heineken	11	2,27%
Budvar	36	7,44%
Krušovice	5	1,03%
Pilsner Urquell	79	16,32%
Starobrno	14	2,89%
Stella Artois	3	0,62%
Ostravar	16	3,31%
Holba	16	3,31%
Gambrinus	42	8,68%
Kozel	42	8,68%
Birell	12	2,48%
Zubr	4	0,83%
TOTAL	**484**	**100,00%**

Table 5: Spontaneous awareness of Czech beer brands.

Types of beer

	Frequency	Percent
Lager	289	34,45%
Výčepní	135	16,09%
Premium	124	14,78%
Porter, stout	20	2,38%
Non-alcoholic	50	5,96%
Wheat	45	5,36%
Dark, semi-dark	72	8,58%
Flavoured	69	8,22%
Ale	17	2,03%
Cider	18	2,15%
TOTAL	**839**	**100,00%**

Table 6: Types of consumed beer.

Importance of price vs brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Price	97	22,6	23,7	23,7
	Brand	312	72,7	76,3	100,0
	Total	409	95,3	100,0	
Missing	System	20	4,7		
Total		429	100,0		

Table 7: Important attributes when choosing beer.

Sources of information

	Frequency	Percent
Family	168	23,66%
Friends	167	23,52%
Advertising	86	12,11%
Social media	34	4,79%
Newspapers	44	6,20%
My taste	211	29,72%
TOTAL	**710**	**100,00%**

Table 8: Sources of information.

Willingness to switch

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	One brand only.	49	11,4	12,1	12,1
	Sometimes different.	116	27,0	28,6	40,6
	Two or three brands.	165	38,5	40,6	81,3
	No preference.	76	17,7	18,7	100,0
	Total	406	94,6	100,0	
Missing	System	23	5,4		
Total		429	100,0		

Table 9: Willingness to switch beer brands.

Reasons for brand switching

	Frequency	Percent
Advertisment for rival brand	27	4,07%
Change in price	82	12,35%
Change in quality (taste)	273	41,11%
Unavailability of brand	214	32,23%
No switch in any circumstances	57	8,58%
New and better brand occurs	5	0,75%
I want to try something new	6	0,90%
TOTAL	**664**	**100,00%**

Table 10: Reasons for brand switching.

Statements

	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
Perception of loyalty	406	4,61	,094	1,890
Family's influence	405	4,21	,091	1,824
Friends' influence	408	4,11	,076	1,530
Recommendations to other people	405	5,02	,087	1,758
Unavailability of brand	408	4,54	,087	1,759
Local brands	408	4,13	,091	1,846
Global brands	406	4,24	,094	1,896
New types of beer	398	4,31	,095	1,902
New brands of beer	404	4,38	,095	1,903
Conservative approach	408	4,59	,094	1,897
Influence of surroundings	406	3,78	,085	1,711
Quality depends on brand	404	4,61	,086	1,738
Quality depends on price	407	4,47	,086	1,730

Table 11: Extent of agreement with statements regarding brand loyalty.

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	214	49,9	49,9	49,9
	Female	215	50,1	50,1	100,0
	Total	429	100,0	100,0	

Table 12: Sample structure according to gender.

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 - 27	193	45,0	45,0	45,0
	28 - 35	50	11,7	11,7	56,6
	36 - 43	100	23,3	23,3	80,0
	44 - 51	86	20,0	20,0	100,0
	Total	429	100,0	100,0	

Table 13: Sample structure according to age.

Country of residence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Czech Republic	231	53,8	53,8	53,8
	The United Kingdom	198	46,2	46,2	100,0
	Total	429	100,0	100,0	

Table 14: Sample structure according to country.

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary	36	8,4	8,4	8,4
	Specialized school	4	,9	,9	9,3
	Secondary A-Levels	168	39,2	39,2	48,5
	University	93	21,7	21,7	70,2
	Secondary GCSE	35	8,2	8,2	78,3
	Undergraduate degree	65	15,2	15,2	93,5
	Postgraduate degree	28	6,5	6,5	100,0
	Total	429	100,0	100,0	

Table 15: Sample structure according to education.

Labour market status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	160	37,3	37,3	37,3
	Full time employment (headwork)	75	17,5	17,5	54,8
	Full time employment (manual work)	14	3,3	3,3	58,0
	Part time employment	47	11,0	11,0	69,0
	Self-employed	51	11,9	11,9	80,9
	Unemployed	39	9,1	9,1	90,0
	Full time employment	43	10,0	10,0	100,0
	Total	429	100,0	100,0	

Table 16: Sample structure according to labour market status.

Annual income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	£0 – £9,999	98	22,8	49,7	49,7
	£10,000 – £19,999	14	3,3	7,1	56,9
	£20,000 – £29,999	20	4,7	10,2	67,0
	£30,000 – £39,999	23	5,4	11,7	78,7
	£40,000 – £49,999	23	5,4	11,7	90,4
	£50,000 and more	19	4,4	9,6	100,0
	Total	197	45,9	100,0	
Missing	System	232	54,1		
Total		429	100,0		

Table 17: Sample structure according to annual income.